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BUSINESS

Coffee

prices

closed 0.02 up at 72.93.

sharply on news of a substantial

decline in Canada's official

• GOLD fell \$1 to \$2751 in

• LEAD prices rose on reports of strong demand and each lead

• WALL STREET was 1.04 no

• COFFEE prices rose to their highest levels this year on the

London market, with September

COFFEE

2nd Position

countries. Back Page

month Page 8

AURORA Haldings.

Balfour. Back Page and Lex

A SCRAP-AND-BUILD plan

to stimulate the EEC's troubled shipbuilding and shipping industries will be discussed in Brussels this week. In the UK,

tha Government has decided to

extend the time limit and

increase payments available to redundant shipyard workers in line with earlier Labour plans. Page 10

■ TGWU delegates have rejected a final pay offer made by building trades employers to 700,000 workers. Page 10

• TEXAS INSTRUMENTS. the

\$3bn U.S. electronics group, bas announced plans to enter the bome computer market. Page 9

• SINCLAIR RADIONICS, in

which the NEB has a majority

share, is now in the closing

stages of negotiations on the future of its Microvision pocket

television production. Page 9

• PRITCHARD Services Group

reports pre-tax profits up 18 per cent in 1978 at £2.57m (£2.18m)

on turnover 17.6 per cent ahead

at £53.38m (£45.39m). Page 20

a good first quarter. Page 20

Western Deep 899 - 55

COMPANIES

at 822.25 just before the close.

rose £19.0 at £656, Page 31

of strong

rise

and Lead

talian lection etback

or PCI ● EQUITIES lost ground and the FT ordinary index, which had lost 7.5 by 11 am, closed 2.6 dnwn at 510.9. ty results in the Italian eral election appeared to w a relatively decisive set GILTS saw some pressure on short-dated stocks, but else-where trading was light and the Government Securities index k for the Italian Communists

I) the largest Communist

ty in the West. he party's decline could be ween 3 and 4 per cent, thus ering its support in the imber of Depnties to just

r 30 per cent.

his would be the first ersal of the PCI after 30 rs of almost uninterrupted toral advances. Back Page

nana coup lio Accra said a rebel group

by an air force lientenant taken control of Ghana. re was no immediate connation of the report, which tradicted an earlier claim by military Government that the p attempt had been quashed. ler story Page 4

woy rejected

a's revolutionary Government, rejected the choice of Walter ler as the new U.S. Ambasor in Tehran but the State partment said the U.S. would ther withdraw his name nor gn Mr. Cutler to another

icaragua push

Sandinist guerrilla moveit called a general strike in aragua as its forces con-ied what they hope will be final push against General loza's Government, Page 6

tack foiled

nlestlalan speedboat headfor a raid on the Israeli was intercepted and wn out of the water by ieli gunboata in the latest a series of Palestinian seaiched attacks on Israel which e heen foiled by the navy.

uzorewa raid

ihabwe Rhodesia attacked tambique "terrorist bases." h troops and aircraft in the ntry's first cross-border raid e Bishop Muzorewa became first black Prime Minister.

≥ace message

ne John Paul entrusted a ,000-strong mass audience in stuchowa with all the states, which could be ed only by "peace, justice i respect for the rights of ions and men." Page 3

eveso payout

Hoffman La Roche, the Swiss irmaceutical company, said iad paid out about \$11.6m in nages to people affected by escape of toxic gas from one its plants in Seveso, Italy, 1976. Profits forecast, Page

ampiona riot

t police charged demonators who threw up ricades in Pamplona, Spain, protest against the killing a foung woman during an i-nuclear demonstration on iday. Businesses, factories I public services closed in

iefly . . .

e Roman cage cup sold for at Sotheby's, easily beating previous record (£75,002) an item of glass. Page 8 vertment is expected to counce big pay rises today doctors, dentists, judges, vior mllitary officers and civil

aves of more than 80 ex-vicemen in Belfast City metery were desecrated by idals with sledge hammers. ree victims of a pub shooting Rotherhithe, south-east Lon-in, were recovering in hospital.

tch millionaire. Pieter • MARTIN the Newsageut pre-inten, who collapsed when tax profits for the 26 weeks to d of his impending rearrest April 1 rose 20 per cent to war crimes charges, has £2.27m from £1.89m, helped hy war crimes charges, has valued consciousness.



Vorster quits after new report accuses him of cover-up

BY QUENTIN PEEL IN JOHANNESBURG

Mr. John Vorster, the South African President and former Prime Minister. resigned yesterday after he was named jointly responsible for massive mis-spending in his former Information Department.

secret propaganda projects run by the former department, of giving false evidence, and of covering up the existence of STERLING rose 33 points to \$2,9778 and its trade-weighted index rose to 67.7 (67.6). The dullar was slightly weaker overall and its index closed at 86.9 (87.0). The Canadian dollar fell. gross irregularities in its spending, including the secret financing of a pro-Government news-

His decision to resign, after a career in which he was regarded as a symbol of Afrikaaner nationalism, was announced by Mr. P. W. Botha, the Prime Minister, when be tabled the report of the commission headed by Judge Rudolph Erasmus in Parliament. Senator Marais Viljoen, the leader of the Senate, will be acting president until a new president is elected. until a new president is elected.

The resignation caused consternation in South Africa, in

spite of the growing evidence in recent months of Mr. Vorster's implication in the information scandal. because he was regarded as a figure heyond It coincided with further reve-

lations of widespread mis- The commission said that spending, theft and fraud to the \$6.35m had apparently been former Information Department.

He was accused by a com- millions of dollars which had and fraud in the operation of mission of inquiry into the apparently been lost by the some R64m (£38m) in secret funds spent by the Information Department. It recommends that the actions of Dr. Rhoodie, department in its secret pro-

jects.
The commission said that Dr. Connie Mulder, the former Information Minister, who resigned in December, and Dr. Eschel Rhoodie, the former Inforamiton Secretary who was retired prematurely last July, should be sued for the return of State money. It identified four major examples of mis-spending: @ \$37.8m (£18.3m) financing of the pro-Government newspaper The Citizen. The loan of \$10m to Mr.

John McGoff, a U.S. publisher, to buy the Washington Star newspaper. The subsequent use of that money to buy the Sacramento Union newspaper in California when the purchase of the Star

The provision of \$1.35m to Mr. CeGoff to finance bis purchase of a 50 per cent bolding In UPITN, the international television news agency. member The commission said that Botha.

written off in the U.S. deals. In its third and final report, the Erasmus Commission identified evidence of widespread theft Botha's Government.

of his previously high reputation. The man considered most likely to succeed Mr. Vorster as President is Mr. Louwrens

Muller, the present Transport Minister and the most senior member of the Cabinet after Mr.

and his brothers, Deneys and

Nic, as well as a South African publisher and businessman, Mr.

Jan van Zy! Alberts, should be

Mr. Vorster is simply hlamed

for bis joint responsibility for

not fully aware of the launder-

of mooey used to finance

investigated with a view to cri-

minal charges.

the projects.

In spite of the Erasmus Report, there is no immediate

Details of report, Page 4 . How Muldergate caught np with Mr. Vorster, Page 18

British Steel to increase prices from July 1

BY ROY HODSON

delivery up £109.5 to £1,858 a tonne, following reports of extensive frost damage in Brazil, Page 31 and Back Page BRITISH INDUSTRY faces an extra £100m on its annual steel bill during the next full year after the British Steel Corporation raises its prices from • MANY Western commercial

banks appear reluctant to pro-Prices of flat products and vide alternative financing for heavy sections are being increased by between 5 per cent Egypf, subject to an economic and political boycott by the and 15 per cent on average, Arab world, for fear of possible while surcharges are being introduced on alloy and stainretaliation by Arab oil exporting ess steels to cover the recent • NORTH BERYL oil field in big rises in the world market prices of the additive metals molyhdenum and nickel. the North Sea may be developed by three U.S. oil companies and British Gas, if plans by Mnbil, Texas Eastern and Amerada Hess are approved by the Department of Energy next

Further home market price number of small sectors such as steel strip. Increases in tubes will almost certainly

corporation has not Sheffield specialist engineering group, bas made a revised £13.8m bid for Edgar Allen risked full increases on the scale it needs because of the per cent plus fringe benefits.

continuing weak market for steel products. British Steel's costs have risen by same £200m a year since the last general steel price increases in mid-1978. The new increases will recover only half of that.

The corporation's target in the next 12 months is to cover the remaining £100m by a comand inceasing poduction at its newer and more efficient steel olants.

Mr Gordon Sambrook, commercial director and a member of the corporation board, said increases are likely shortly in a last night that the price rises had been dictated hy: a 50 per cent increase in steel scrap prices. 10 per cent increases in coal and iron ore prices, an unquantifi-able but substantial rise in oil prices and a pay settlement of 8

He added: "We bave made a very substantial effort to carry the costs we have to bear for as long as possible. But I am afraid no" we just can't go on any longer seeking to cover these rising costs by improving our internal efficiency without a

British Steel's home sales are bination of good housekeeping running in the region of £2bn a year and the price increases will affect about 25 per cent of that business.

Home demand for steel is brisker now than It bas been for two years. But whether that is due to underlying growth or because of special circumstances such as the winter transpert strike and industry's need to replenish stocks is a matter of argument among the steel in-

News Analysis, Page 10

Airways raises Debenture bid

AIRWAYS pension fund, has increased its offer for Debenture Corpora-tion in a move which is claimed as a boost for the wbole investment trust movement. The increase itself is small-

£1.28m on the original £40m offer—but it now includes a "floor price" and a premium on an amended net asset value instead of the original flat offer of net asset value.

Mr. Patrick Spens, a director of Morgan Grenfell which is advising Debenture Corpora-tion, claimed last night that the new formula will create a precedent for future bids for investment trusts. He said applying the formula would add £200m or so to the value of the £6bn investment trust move-

Pension investment trusts. Airways had Scheme, the British Airways offered to pay the equivalent of the net asset value of the portfolio—a figure which fluctuates in tune with the market. Now there is to be a fixed "floor price" of 100p irrespective of market declines.

In addition the net asset value is to be reformulated so that the estimated £488,000 breakup costs-redundancies and professional fees-will not he borne by Debenture's sbarebolders. This increased value will also

attract an offer equivalent to 102 per cent if the market turns npwards above the floor price. On the original formula Airways would yesterday have been committed to an offer of 98p per sbare. Under the new offer the cost element is worth an extra 1.2p and the 2 per cent premium further 2p approximately. The agreed increase came

In line with previous bids for after a day-long discussion

between the two parties and their advisers after it was learnt that Airways bad secured acceptances of 54 per cent of the shares when its first offer closed

Some 90 per cent of the nen-sion fund shareholders and 70 holders overall had accepted the first offer. The resistance came from individual shareholde3 who, unlike the gross funds, have a capital gains tax liawhen they sell their shares.

Their resistance was applauded yesterday by Lord Remnant, chairman of the Asso-Their ciation of Investment Trust Corporations. He said that he was delighted to see that their deter-mination to hold out for a more price bad been realistic rewarded.

Lex. Back Page

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Est. & Geni. Inv.
Jackson Group ...
Mettoy Co.
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Gold and Currency 20-Reserves

Reserves up \$65m in May

BY DAVID FREUD

BRITAIN'S GOLD currency reserves rose by \$65m (£31m) in May, said figures released by the Treasury vesterday

After allowing for net repayments of borrowings, the under-lying increase was \$303m. The reserves stand at \$21.53bn.

the irregularities, and for con-cealing them when they were hrought to bis attention. While The inflow of foreign currency the commission finds that "his integrity is unblemished," it in May compares with a figure of \$675m in April and £1.02bn in March. This is the sixth rejects his evidence that be was auccessive month in which the underlying position bas shown an increase.

The demise of Mr. Vorster is The figures made little imall the more remarkable because pact on sterling in the foreign exchanges. It moved up slightly, mainly on commercial trading, from 67.6 to 67.7 on the trade weighted index, which measures the value of the pound against

a basket of other currencies.
Against the U.S. dollar the pound rose 33 points to \$2,0778.
Repayments in May were \$316m. while new loans taken out totalled \$78m.

Debt repayments included \$200m to Iran by the National Water Council, the first part of an \$500m loan which falls due over the next two years. The Post Office repaid \$100m to the

New loans consisted of \$55m from the European Investment Bank by the Northern Ireland Bank and \$25m raised by British Gas on the New York market. Part of the underlying \$303m locrease in the reserves may have been due to modest inter-

vention by the Bank of England in the election period to check the lucrease in the exchange rate. Trade and balance-of-pay 0 ments figures, delayed due to

industrial action at the UK Customs centre, will be pub-Continued on Back Page

Editorial comment. Page 18

le New York June 1 Previous

\$2.0775-0785 \$2.0675-068\$

British Rail cuts services to save fuel

BY KEVIN DONE AND IAN HARGREAVES

by 7 per cent from next week because of cuts in fuel supplies. This will lead to an overall cut of 5 per cent in passenger ser-

The announcement yeaterday came as Esso, one of the largest oil suppliers in the UK, joined the list of companies rationing deliveries. Esso is to cut sup-plies of all products by an average of 7 per cent below last year's levels.

British Rail will give priority to freight, commuter and peakhour inter-city services for husinessmen when details of the cuts are announced Thursday.

The passenger cuts are expected to be concentrated in the West Region Wales and Scotland and most cross-country services. In some cases an existing schedule of five trains a day

could be cut to three. Some off-peak Western Region services of tre 125 mph high speed diesel train are expected to he lost, but the bighspeed east coast service will probably be spared because of problems already resulting from the collapse of the Penmanshiel tunnel in Scotland in March.

The only service guaranteed to escape cuts altogether are those using electrified lines, including the west coast mainline between London, Manchester and Giasgow, most of Southern Region, parts of Eastern Region and other big

city commuter services.

British Rail said the reduced services would probably last at British Rail consumes \$50,000 tonnes of beavy gas oil each year and said it had no choice but to impose immediate service reductions after a cut of 7.3 per cent in its supplier from Essa and

British Rail said the fuel problems were a powerful illustration for the case of mare railway electrification. A joint on electrification is due to issue an interim report sbortly. The rising cost of fuel is also additional pressure on

BRITISH RAIL is to cut its British Rail's finances and diesel train passenger services makes an autumn round of fare increases virtually certain.

Esso's move means that all the major UK oil companies bave started rationing oil products. Only British Petroleum is maintaining supplies at 100 per cent of last year—effectively a cut of 3-4 per cent because of growth in demand—and it is unable to guarantee supplies at this level beyond the end of

Esso's reduction in supplies will hit deliveries of fuel oil and middle distillates, products such as diesel, heating oil and aviotion fuel, most heavily.

Esso is expected to announce full details of its rationing scheme today. It is understood that supplies will be cut overall to 98 per cent of last year's deliveries. Petrol supplies will be least affected with a cut of 34 per cent below last year's

Supplies of middle distillate products will be cut by 7 per cent, while fuel oil deliveries will be reduced by 10-11 per cent. Esso is a substantial im-porter of fuel oil into the UK. It is one of the main suppliers to the Central Electricity

Generating Board. The effect of the cutback on power station supplies should be mitigated, hawever, by the CEGB's plans to burn much mare coal this summer as a substitute for oil. The Government is encouraging it to burn 5m tonness more coal in the six months to the end of September as part of its plans to cut UK oli consumption by 5 per cent. Severni emptier UK oil com-

panies have blready announced more stringent rationing schemer than Esso and Shell with reductions in supplies of up to 20 per cent below last years level for some products.

Higher North Sea oil prices

are teing introduced by all the oil companies operating in the UF sector of the North Sea, following the decision late last week by British Petroleum and Continued on Back Page Warning on subsidy cuts.

Iraq oil up 64 cents

IRAQ HAS imposed a further rise of 64 cents a barrel for its lighter crudes, bringing its Basrah light to \$17.00 a barrel, compraed with the \$14.55 a barrel that is still being charged by Saudi Arabia for its similar Arabian light "marker" crude.

Saudi Arabia is the only GPEC member that has not introduced any surcharge on ics main crude output. It has, however, edded a further sur-charge of \$2.40 a barrel to its very light Berri crude, bringing the price to \$17.87 a harrel, a rise of 35 per cent since the end of 1978.

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looking for a lift truck that offers higher productivity and Iower materials handling costswithout sacrificing quality or safety — you're looking for Hyster.

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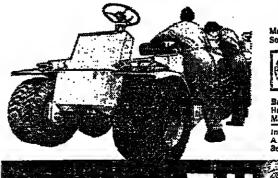
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This is a change of tack from

the time when, as Agriculture Minister. Mr. Silkin was castigat-

ing the other EEC Farm

These days, he portrays then

as a rather toothless lot who
"can only growl and say no."
as the Commission, unelected
and accountable to nobody.

the rest heing rammed through by the Commission behind

As well as understating Mr.

Silkin's own influence on events

in the Agriculture Council, this version begs two important questions. The first is that it conflicts with the conventional wisdom of the Labour Party that effective democratic control must be exercised only by Westminster and not by a group

Westminster and not by a group

The second is what happens

if, instead of hounding the

Commission, the European Parliament decides to make common cause with it in oppos-

ing the position adopted by the

Council of Ministers on key

of Euro-MPs in Strashourg.

as the source of

Ministers

Europe's ills.

closed doors.

We had to know all the costs for

a ship's crew before we financed a

\$100 million loan for an international shipping group.

And we did it by arranging syndication

in London, New York and Tokyo while providing multi-currency management advice.

Anti-EEC forecast in Denmark

ANTI-MARKET parties stand to win 3fi per cent of the votes cast in the European elections in Denmark on Thursday, according to a Gallup poll. This would give the anti-EEC group of parties, which have formed an electoral alliance, six of metro-politan Denmark's 15 seats. The country's 16th seat will go to Greenland, also expected to elect an anti-Market candidate.

The People's Movement against the Common Market are forecast to take 24 per cent of the vote and its allies, the Single Tax Party, the Left Socialists and the Socia-

Left Socialists and the Socialist People's Party, 3, 4 and 5 per cent respectively.

Gallup says the Social Democrats should win 29 per cent and a right-centre alliance of the Liberals, Conservatives, Centre Democrats and Christian People's Party 28 per cent, with the antiday 28 per cent, with the anti-tax Progress Party and the Radi-cals picking up 4 and 3 per cent respectively.

The survey also shows that The survey also shows that if there were a referendum on EEC memhership now only 33 per cent would vote in favour, and 48 per cent would vote against. This compares with 38 per cent for and 40 per cent against in a February poll and 57 per Fehruary poll, and 57 per cent for and 33 per cent against in the 1972 referen-

MR. SILKIN'S 'LABOUR-VERSUS-TORY' BATTLE

'Bad boy' on the attack

BY GUY DE IONQUIERES, COMMON MARKET CORRESPONDENT

Imagine a row of sbops near identical products. But you are nuly allowed to shop in one of them and hutter costs four times as much there as in the others.

"When you have made your purchase, the shopkeeper tells you that on top of the higher price, your family must also pay £1.ã0 a week for being allowed to shop only in that store. Soon it will be £2 a week . . ."

The Rt. Hon. John Silkin, MP.

The Rt. Hon. John Silkin, MP.

'bad hoy" of Brusseis and
scourge of the Common Market.
is on the attack again. This
time, before an andience of perbaps 100 middle-aged and
elderly bousewives in a polyschool ball on the outskirts of techoic hall on the outskirts of Durham for the annual Labour Ladies' Gala at the weekeod.

On the platform, Mr. Silkin is flanked by the local mayor dressed in full regalia, a handful of local MPs, a Transport House organiser up from London for the day, and Durbam's boyisb-looking Lahour candidate for the European elec-tions, Mr. Roland Boyes.

The Ladies are true bellevers. in the industrial North, and the meeting is reminiscent of a

Methodist cburch service. The selting is a somewhat un-

"THIS IS how the Common clearly in the hope they will be the firmly checked by the Euro-Agricultural Policy works: listening to a future leader of MPs. the Labour Party, and he does not disappoint them.

Appropriately, his structures on the iniquities of the Common Market and the high cost of memhership, dellvered in measured haritone, sound a little like a Sunday sermon. Afterwards, he autographs programmes with meticulous and

smiling courtesy.

Why is a Labour politician, who opposed direct elections in the first place and still firmly helieves that Britain would be hetter off oul of the Common Market, urging people to go to the polls next Thursday?

One council of ministers only gets to pronounce on one-quarter of all the laws approved by the EEC—

One answer is given by Mr. Boyes. He tells bis supporters io Durham: "Europe is so uo-known. Don't be confused by all that stuff about the Common Market. This is a straight Labour-versus-Tory battle."

Mr. Silkin's own rationale is more elahorate and unorthodox. He argues, of course, that Lahour should he adequately represented in the new parliament to ensure that it does not grow too hig for its boots.

But unlike many Labour Leftwingers, his chief concern is not that the directly-elected assembly will undermine the prerogratives of national Government by expanding its



ground."
In his mind, such questions hulk less large than the over-riding imperative of secur-ing a hetter EEC deal for Britain and reforming—if not indeed, demolishing—what he calls the "lunatic system" of

Unless other countries are orepared to agree to a radical improvement in the deal which Britain gets. he believes the Lahour Party soould enter the next election campaign armed with serious proposals for withdrawal from the Common Market.

whether Britain's interests are served by staying in the EEC, whatever the terms. need He believes the crunch will risk.

come in the next two or three years, when the financial connection between the Treaty resources available to fund the of Rome and defence, there was EEC budget are due to reach conventional one for the sleek and urhane Mr. Silkin. But the and urhane Mr. Silkin. But the ladies have voled to invite him, intiring quest for power must

Pym urges Community to take action on defence

using its economic strength tu devolop Western defences devolop Western defences against the Soriel Union was stressed yesterday by Mr. Francis Pym. the British Detence Sceretary. His remarks underline the weekend speech made by Mrs. Margaret Thatcher, the UK Prime Minister, in which she emphasised the unportant role which the enlarged Community could have as a bastion against Soviet

expansion. But Mrs. Thalcher's speech came under strong attack yesterday from Dr. David Owen, who was Foreign Secretary in the Labour Government, and Mr. Anthony Wedgwood Benn, the left-winger who was Labour's Energy Secretary,.

The exchanges were made during the European election campaign news conferences held by the two major parties. Mr. Pym said thal the Soviet Market.

In the longer run, Mr. Silkin ally year hy year. It was increasing dramatically year by year. It was increasing deeply sceptical about creasigly clear that unless the economies of Western Europe combined to meet joint defence needs then they should be at

> Although There was no direct a fundamental indirect connec-

emphasised the separate role of NATO and the EEC. He said the close association between the Nine was bound to have an effect on foreign and defence policy even though these areas were outside the Treaty of Rome

Treaty of Rome. Although he did not want to see a commun foreign policy for the Community there should be a concerted foreign policy. This was particularly necessary as regards the Namibia problem and the Middle East.

In particular, there had to be a concerted EEC foreign policy to tackle the oil crisis.

issue at the economic stromit in Takye later this month. At Labour's news conference, however, Mr. Beau claimed that the Prime Minister's Weekenspeech had created a great deal ion anxiety. He drew the distinc-tion botween the Pope's "mission of peace" in Poland and Mrs. Thatcher's "cold war

politus. We did not want a return to the culd war. Economic co. operation between the East and West was one of the sinews around which detente had to be

a concerted EEC foreign policy to tackle the oil crisis.

This had been lacking during the steep oil price rises in 1973 when the Community's policies had fallen into disarray. He thought oil would be the central built in Europe.

Envoy's critical despatch is nonsense, says Benn

to Paris, who drew up a controdecline. yesterday the former Energy Benn.

Mr. Benn thought it hardly surprising Britain was criticised for its relations with EEC countries if amhassadors like Sir Nicholas has been "feeding thal sorl of pessimislic non-

Dr. David Owen. who, as Foreign Secretary in the Labour Government, had received the despatch, also criticised Sir Nicholas but in milder terms. He implied that during seven years as ambasfirst in Bonn, then in Paris. Sir Nicholas had hecome happening in Brilain.

Dr Owen had some harsh words for the roles of the

SIR NICHOLAS HENDERSON, helpful adjustments to British the former British amhassador policy had not been good, From versial despatch on Britain's the East of Suca policy, they had came in for scathing criticism meni of Britain's role," he said, from Mr. Anthony Wedgwood The former Labour Ministers were speaking at a Party news

conference on the European elec-The outspoken views expressed by Sir Nicholas were con-tained in a valedictory despatch to the Foreign Office when he retired from the Paris post. Since then, however, be has been recalled to scrve as British

ambassador in Washington, Mr Benn, a leading Labour left-winger, said it was a good thing the despatch was pub lished. As an advocate of open government, he thought all such papers should be made public "If the British public knew

the real views of senior officials and civil servants like Sir Nicholas Henderson, It would heln them understand the reality Foreign Office and Department that many of these senior civil servants do take a very conservative view." he said.

Poll workers short of cash and energy

BY ELINOR GOODMAN, LOBBY STAFF

could well have done without at on election expenses this juncture. Having just fought a general election and, in many money which makes some areas, local government and Labour candidates feel disparisb elections as well. The advantaged. The splits within parties are short of both money

and energy. Some constituency associations did not even bave the money to

pay the £600 deposit for Iheir European candidates, On top of this, the candidates have bad to cope with the unique problems posed by the vasi size of the European constituencies as well as the apathy of the British electorate in general and the Press in particular which even Sunday night's European TV spectacular or Labour's Eurogala in Leeds seems unlikely to

Moreover it is not only the voters who have shown lack of interest in the European campaign. Until this week neither of the leaders of the main political parties bad given much lime to fighting the campaign.

Confronted by all these obstacles, 283 candidates have shown themselves to be a resourceful lol. With an average electorate of 500,000 people, most have recognised that traditional doorstep cauvassing is out and they bave no bope of meeting anything hut a fraction of their electorate. So, as well as addressing public meetings and going on the now standard, but sometimes lonely walkabouts round shopping centres, they have had lo look for new ways of getting their message across

Generally, it is the Liberals, who have all loo much experience of fighting elections on a shoe siring, who have proved the most ingenious. One produced a record of his election address to send to his electorate while the party chair-man, Mr. Michael Steed, walked 22 miles across his constituency to prove that he was fit for

None of the parties has ever made any secret of the fact that they regarded the European election as the poor relation of the Westminster poll. All have taken the view that the cam-paign should he fought essenially at the level of the constituency association and that all the central organisation should be expected to provide

should be expected to provide was a hasic support system.
Within this basic similarity of approach lie very great differences in attitude. At one point Labour looked like treating their Eoropean candidates not merely as poor relations but as orphans only fit for the charity of the European Parliamant.

In the end the party's executive grudgingly made over the election, like the Liherals who are contesting all \$1 scats, which is the labour figure, particularly to marginal seats.

The minority parlies fighling the election, like the Liherals who are contesting all \$1 scats, when the party state of the party's money to add to the £300,000 provided by European Socialist parties. was a hasic support system.
Within this basic similarity
of approach lie very great dif-

hy European Socialist parties. Much of this bas gone out in granis to constitueory associapean parties in the same tions which had run dry during the general election and were unabla to raise any more muney locally from their traditional hackers, the unions.

Even so, very faw, if any of

BRITAIN'S political Labour candidates will have parties, the European election is anything like the £15,000 or so an exercise in democracy they they could spend under the law

the parly over the whole question of Europe bave created problems all along the line and meant that in terms of organisation the Tories bave had a head

start on Labour. Eight or nine million copies of a leaflet on Europe had to be re-printed at a cost of several thousand pounds because the executive did not like the title "Lahour for Europe."

By contrast, the Conservatives have been planning for Europe for some time. As long ago as

INDEPENDENT Television News is to start its coverage the European election count half an hour ahead of the BBC immediately after News at Ten. It has signed up Mr. Edward Heath. Mr. Jo Grimond and Mr. Peter Shore to form part of their line-up of politicians to be interviewed during night's viewing. Sandles writes.

Neither the BBC nor ITV is making any guesses at the size of audience which might he expected for a late Sunday programme that comes three days after voting has finished in Britain. However, ITV is spending around £140.000 on ts coverage and will book into the European Broadcast ing Union programme pool system which is hacked by a £500,000 grant from the EEC institutions.

May 1976 the party's voluntary organisation issued a discussion paper selling out a framework for Euro constituency organisa-lion and candidate selection.

separate European fund appeal was launched nationally. Though the party will probably end up spending less than a quarter of what it spend on the Westminster election, it has been able to give more financial help than Labour In hard-up constituencles

Moreover, the constituencies themselves have raised some money for Europe-in areas Eurojumble sales have

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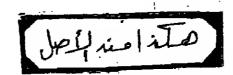
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Mexico City, Nassau, Panama, Paris, Rio de Janeiro, Rome, São Paulo, Seoul, Singapore, Sydney, Tehran, Tukyo, Toronto.



EUROPEAN NEWS

lUnit French inter-party ence squabbling grows more strident

BY DAVID WHITE IN PARIS

Ign.

The Gaullist RPR received at e weekend tts lowest score so r in an opinion poll—12 par me speaking on television," M. nt against 31 per cent for the st of its Msjority partner, the DF. At the same time, how-

vals with trying to usurp part the Gaullist vote by "an traordinary exercise in mysication." Amid 13,000 pages of the communist leader, replied in relatively moderate terms, saying be refused to be drawn at the communist leader.

ea of Europe was in line with e late President de Gaulle's. What separates us from the DF is incomparably deeper an what unites us," M. irac said. Gaullist members esent at the rally.

M. Raymond Barre, the Prime inister, said at a rally of bung Giscardians—a more e campaign was "full of Chancellor Helmut Schmidt as terior motives" connected well as French Government th the 1981 Presidential elec-leaders.

CREASED domestic quarrel-tion and that many of the ig within the ruling Majority arguments had nothing to do with the European Parliament. come the main feature of M. Barre's open support for ance's European election cambas been a cause of attack from

Barre said. On the other side of the fence, the Socialist Party'a executive er, it was able to show off its burean has accused the Com-lent for gathering crowds of munist Party of using "fantastic poorters, at a mass rally in and mendacious allegations" e Bois de Boulogne attended and of pursuing a campaign some 50,000. "which only benefits the Right."

After "Springtime of Socaliat Europe" festivities a week earlier, the Paris region was treated to a total of four political fetes over the week-Apart from the Gaullists and

the Young Giscardians, the Young Communists were distributing Couscous and Che Guevara tee-shirts, and the the Government were not Trotskyist Lutte Ouvrière was inviting participants' children to try their hand at fairground abies, where the targets included British Prime Minister Margaret odest gathering of 2,000-that Thatcher and West German

Pinto government faces censure defeat next week

BY JIMMY BURNS IN LISBON

ORTUGAL'S SOCIALIST and ommunist parties yesterday rmalised their opposition to e Government by tabling parate motions of censure. Both parties hope that the rtain approval of the Socialist otion by a majority Socialist/ ommunist vote next week will recipitate the downfall of the overnment, aithough the ming is still uncertain.

Under the constitution, the overnment need not resign iless two separate motions of insure are approved within period of not less than 30 lys by a parliamentary

> This means that theoretically te Government could remain office beyond next week's notion and wait for the out-

There is, however, growing beculation that serious divi-ons have developed within the itherto solid Cabinet. Over the weekend all the

ading Portuguese newspapers, icluding the state-owned and sually pro-Government Diario e Noticias, carried front-page ories claiming that Dr. acinto Nunes, the Finance banking officials yesterday that linister, would resign following: they were true.



.bappier times

the approval of the Socialist motion The Ministry bas not con-firmed the suggestions although it was understood by some

803 stand trial over **Turkish** riot deaths

THE BIGGEST trial in the country's bistory opened in

the south-eastern Turkish town of Adana yesterday. A total of 803 people are stand-ing trial of whom 330 are The city's covered basket-hall stadium has been con-verted into a courtroom to

accommodate the trial by military tribunal. defendants.

The defendants, who include a number of house-wives, are charged with incidents connected with the riots six months ago in the south-eastern town of Kahramannaras where 111 people were killed. The clashes in Kahraman-

maras, a market town of 250,000 inhabitants, were between the Sunni and Alevi sects and were provoked by extreme left and right-wing factions. The majority of Turks are Sunnis, Islam's orthodox sect. The Alevis, akin to the Shi'ites in neigh-houring Iran, generally sup-port liberal or left-wing

The trial opened at a time when the political and economic fortunes of Mr. Bulent Ecevit, the Prime Minister, appear to have reached a turning point.

Four deputies have recently resigned from Mr. Ecevit's left - of - centre Republican People's Party. The 17-month-old administration has been further weakened by the resignation of Mr. Enver Akova, the Minister of State and one of the 10 or so indesupporting Mr. Ecevit.

The Prime Minister was able to replace Mr. Akova with another independent right-wing member, Mr. Hasan Korkut. However, his national assembly majority is now precariously thin and, equally important, the administration appears to have lost its vigour and selfconfidence.

More resignations may be in the offing,

Tito in Malta for talks with Mintoff

President Tito of Yngoslavia and Prime Minister Dom Mintoff of Malta met yesterday in Valletta to discuss bilateral relations, Mediter-ranean topics, and the forthcoming summit of non-aligned states, writes Godfrey Grima. The two-bour conference followed meetings beld separately at ministerial level. President Tito, who flew into Malta from Tripoli for a three-day visit, last met Mr. Mintoff in Yugoslavia last year.

Yugoslavía last year is reported to have provided Malta with more than 100 experts in various fields and is expected to step up tech-nical assistance to the island particularly in agriculture, and ship-repair and ship-

BY ROBERT GRAHAM IN MADRID GUNMEN firing sub-machine the previous weekend, guns from a stolen taxi yester—No group has so fa day killed two members of the responsibility for plan

The last time a Guardia Civil was killed in Madrid, in February, the shadowy left-wing

Gnardia Civil are normally used to police rural areas and small towns, but they guard several government buildings, and for more than six months past a number of units have been drafted into Madrid to combat the growing wave of

73 the number of persons killed in politically motivated violence since the beginning of the year.
Last week in Parliament,
Premier Adolfo Suarez sought to assure the nation that he Government was dealing firmly with terrorism. However, the public, especially in Madrid, still remains apprehensive in the wake of the violent events that killed a total of 17 people

No group has so far claimed responsibility for planting the previous Saturday a bomb that tilled eight persons in a Madrid

In his speech to Parliament last week, Sr. Suarez appealed extremist organisation, Grapo, to the public to give greater subsequently claimed respon- co-operation to the police. But improve their own image. On Snnday, a Venezuelan born woman was shot in the bead by a policeman in the northern province of Navarre during an anti-nuclear demonstration.

A police statement said that the policeman's gun went off accidentally while warning a crowd of anti-nuclear demonstrators who were attacking police. Other sources said the woman was killed when police moved in with gun butts to break up a sit-in.

As a footnote, to underline the new level of violence, two people were shot in separate incidents in Madrid yesterday —a bank guard outside a savings bank and a walter in a

THE SECURITY of the Western the new Strategic Arms Limita- Boston and New York. world—particularly in energy tion Treaty (SALT II) agree-and arms—will be the under-ment between the U.S. and the tion Treaty (SALT II) agree-Soviet Union could bring

Energy and arms underlie Washington talks

lying theme in talks tomorrow Soviet Union could bring in Washington between Chancellor Helmut Schmidt and to the cold war. on light heating oil imports, quickly followed by Bonn's the cold war.

sharp, private condemnation of so much opposition in the These concerns are likely to the measure, the West Germans legislature to his energy plans. emerge not only in Herr are publicly going out of their Herr Schmidt is likely to Schmidt's talks with Mr. Carter way to try to create a good urge President Carter to support

Security Affairs adviser, which precedes them. The Chancellor's programme also includes visits to Harvard and South Carolina Universities and to

so much opposition in the Herr Schmidt is likely to

hut also during his working atmosphere for the forthcoming breakfast with Mr. Zhigniew Brzezinski, the U.S. National It is felt public strife will do a major effort for co-operation between oil consumers and pro-It is felt public strife will do ducers—an idea to be taken up little good—particularly so soon and developed at the Tokyo before the Western economic summit. He is also expected summit meeting in Tokyo at the to give further details of hia end of this month, plan for an international study Accordingly, the Chancellor of the security problems of

is renewing praise for his nuclear reactors, in the light of Despite the German surprise relations with President Carter, the Harrisburg incident. How-which greeted the U.S. subsidy and has confined himself publicly to calling it "a pity" that of a moratorium on new nuclear the U.S. leader has encountered plants, despite domestic and

Besides urging ratification of SALT II, Herr Schmidt will also discuss the problem of "grey zone" weapons (intermediate range nuclear missiles). remains his conviction that West Germany must not become the only Western European NATO member to bave such new weapons stationed on its terri-

Two Guardia Civil killed in Madrid

BY JONATHAN CARR IN BONN

President Jimmy Carter.

Herr Schmidt, who leaves for

the U.S. today, is concerned that the sharp rise in oil prices could move the Western economies closer to a recession

and that Washington's recent

subsidy on some oil imports is

He also feels that a failure

by Congress quickly to ratify

likely to reinforce this trend.

para-military Guardia Civil in

political violence. Yesterday's killings brings to

cafe.

CHANCELLOR SCHMIDT MEETS PRESIDENT CARTER

the police have done little to



Pope John Paul breaks down and weeps during Mass at Jasna Gora.

500,000 Poles welcome Pope at shrine

CZESTOCHOWA-Pope John between the Polish nation and Mary. Paul II yesterday visited one of its Oneen." the Pope said. the nation's ties to the Roman the case of the past centuries,

Speaking to a crowd of 1m different lines."

the hillton monastery of After describing the shrine as at the hilltop monastery of Jasna Gora, the Pope prayed a place where Poles could bear resisted a Swedish siege in 1655.
to the Virgin Mary that the the "echo of the life of the King Jan Kazimir proclaimed Church 'may enjoy freedom and peace" in fulfilling its mission.

"The past decades have conPope began singing a traditional

Poland's holiest shrines, and "The history of Poland can times during the sermon, with declared that the years under be written in different ways," the crowd starting the song Communism had strengthened the Pope said. "Especially in twice. it can be interpreted along

firmed and intensified that unity refrain of prayer to the Virgin

song was sung three

Jasna Gora, which means bright mountain," became a symbol of Polish Catholicism when its monks successfully King Jan Kazimir proclaimed the Virgin Mary Poland the following year at the hilltop site.

"I've flown thousands of miles with Luft nansa and never been significantly delaved

.This is an authentic passenger statement.

Proposals for Dutch N-waste

BY CHARLES BATCHELOR IN AMSTERDAM

ccording to a report sent to 'arliament by the Ministers of

oission for Nuclear Energy bas inswered in broad outline some of the questions facing the lovernment as it starts a pro-nised public debate on nuclear nergy.

The work of the Commission produced charges from some

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domes lie, that the Government was seeking to pre-empt the

regiment by the Ministers of Commics and Health.

To keep open its options, to wever, the Dutch Government as decided to take part in an international investigation of the cossibility of burying waste in the sea bed.

The presentation of the report of the Interdepartmental Composition for Nuclear Energy has as possible sites will now be carried out.

. A decision on waste storage la required before further con-sideration can be given to building more nuclear power stations possible, then to On-shore salt domes, trenches in the sea bed and specially dug recommended.

tADIO-ACTIVE waste could be tored in underground salt and from the provincial authoriomes in north-east Netherlands, ties under whose areas the salt sitea for the storage of Dutch waste, the Minister said. The Netherlands plans to join an investigation being carried out

> to find ways of temporarily storing the waste above ground in the 1990s. The Dutch Government bas not yet considered the permanent storage of waste abova ground, but if the other long-term alternatives are not possible, then these studies will bave to be made, the report

Danes delay krone action

BY HILARY BARNES IN COPENHAGEN

ALTHOUGH THE Danish krone The first quarter current fell to its floor against the account balance of payments Deutsche Mark on Friday, the was unfavourable. The chair-authorities are not expected to men of the Economic Advisory take corrective action until after Council, "the three wise men, the June 7 elections for the recommended a devaluation as European Parliament. the hest way of adving the

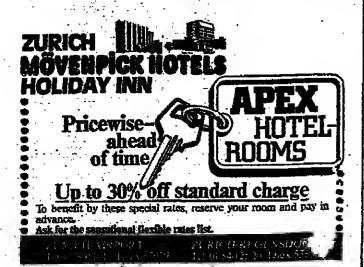
haa been shaken by a number of factors in the past few days. a likely rise in real terms this

Ministers have denied mean-balance-of-payments problem while, that they plan to raise without adverse effects on emthe 8 per cent discount rate or
to devalue the krone.

Confidence in the currency report showing public expenditure to be out of control, with year by 5.5 per cent, compared

with a budgeted 1.1 per cent. Finally, unlon leaders appear to bave changed their former outright rejection of a devaluation to acceptance of a small adjustment in the 5-10 ner cent range, although they bave not made this specific in statements to the public.

It was expected earlier that the Social Democratic-Liberal Government would introduce stabilisation measures in the autumn in connection with the 1980 hudget, but there is strong speculation now that the Government will act at the end of this month, when the Folketing (Parliament) is recalled from its summer recess to confirm the results of the European Parliamentary elections.





Paul Lendvai reports on Brezhnev's visit to Hungary

Economic deviation but political conformity

THE STATE visit by Mr. imports of raw and basic industrial Leonid Brezhnev, Soviet Presimaterials.

Austria wa dent and Party leader, to Hun-As no other Comecon country the Hungar gary last week was more than is as poor in resources as year, Hungarian heavy industry a public relations exercise to Huogary which has to cover achieved only 42 per cent of the show that he can walk unaided over half its total energy con-or deliver a brief speech two sumption through imports, the or deliver a brief speech two sumption through imports, the weeks before the U.S.-Soviet final statement's call for comviena summit. Mr. Brezbnev pleting "as soon as possible" paid ao unqualified tribute to the elaboration of a long term the moderate political line of co-operation and specialisation Mr. Janos Kadar, the 67-year-programme up to 1990 reflects old Hungarian Party Secretary, vital national interests. and reaffirmed the respect for national peculiarities within the eastern bloc—recognition of national roads to Socialism. This is seen by Hungarian and East caot signal for the bloc as a

The statments by Mr. Brezhnev, the Soviet press coverage of the visit, the lengthy joint communique and the evident satisfaction of Mr. Kadar in a televised address, reflect a major political success for the moderate Socialist Hungarian line. It affects both the economic future of the country and multi-lateral integration within Comecon as a whole. The praise for "creative efforts" by the Hungarians to deepen contacts between the Party and the nation and to further develop Socialist democracy must be seen against the background of the daring economic experi-ments launched in Hungary since 1968.

"Faced with serious difficul-ties themselves, the Soviets no longer care so much for pbrasemongering and verbal radi-calism. They respect those leaders who 'deliver the goods.' maintain law and order and manage to keep the population contented. As Kadar, on top of all this, has a good lmage abroad and helps to make the policy of detente credible, his standing in Moscow bas never been as high as now," a high-ranking Hungarian official remarked during the visit.

On the day Mr. Brezbnev arrived the Soviet Party newspaper Pravda was already praised the Hungarian Party which, "wisely combines both the general laws of Marxism-Lennism and the concrete con-ditions under which they are heing realised." However, in his toast at a dinner given by the Hungarians in the gilttering "hunting hall" of the Parliament, Mr. Brezbnev went further; Every country has unique features. It is impossible to achieve a healthy co-operation, to settle to mutual satisfaction, this or that problem, if one does not take bas hecome a norm in Soviet-Hungarian co-operation that we are attentive to and treat each other's peculiarities with good inent." Finally, he went so far as to say that the Soviet Union regards the Interests and concerns of their friends as

Whether this means that the Soviet Union, which provides 90 per cent of Hungary's energy imports, will at last make longterm commitments to provide more raw materials, primarily crude oil and gas is still an open question. In his television summing un, Mr. Kadar said the Hungarian side had, "frankly, honestly and truthfully" informed its Soviet friends of their tasks and concerns and "everything we have intended bas been realised during the talks." The joint communique also spoke of the "active solidariy and com-radely assistance" of the Soviels who provide one-third of Hungary's aggregate foreign trade and 40 per cent of the

According to observers, not only the Soviets but also such recent visitors as Mr. Grisba Fillipov the Bulgarian Central

industrial productivity ln Austria was 75 per cent up on per capita output of a group of similar Western plants. In chemicals the gap was even

larger.
This is the background to the impending upward move in prices to bring the economy in line with the rest of the world. It is expected that 60 per cent of producer prices will be raised by 2n per cent from January 1 next. Though not all Committee secretary io charge the rise will be passed on to



President Brezhnov is greeted on arrival in Budapest by Hungarian Party Secretary Janes Kadar (left).

garian farming. Though nomi-nally collectivised, it relies heavily on private incentives, including both the private plots of the members of the collective farms and th profit possibilities granted to the enterprises, Both Mr. Brezhnev and the 160,000 Soviet tourists expected to visit Hungary this year can see for themselves that the shops are well-stocked with fresh vege-tables, fruit and pork.

As Hungary, albeit accounting for such economic experiments In other hior countries too. provided they do not endanger the basis of the one-party

Therein lies the strength of Mr. Kadar who since the crushed uprising in October 1956 has converted Hungary Into a haven of relative political stability. The atmosphere of political relaxation and modest affluence contrasts with the recurring tensions in Czechoslovakia and Poland, rumblings in East Germany and what Mospow sees as nationalistic deviations in independent-minded Romania.

However, the "Hungarian miracle" is exposed to a number of dangers. The terms of trade bave deteriorated by 20 per cent during the past five years. Deputy Premier Jozsef Mariai. one of the country's most able and outspoken officials, warned recently that there was no chance of a sbort-term favnurable change on the western markets.

of economics, have been im- the consumers. Hungarians presed by the success of Hun- expect a steep increase in the consumer durables,

Hungary will bave to pay a political price for Soviet goodwill and the toleration of internal diversity. Comment on Soviet foreign and domestic policies will not be allowed. Even a major study, 10,000 copies of which was printed on the life of Rela Kup the leader. the life of Bela Kun, the leader of the short-lived Hungarian Soviet Republic in 1919 and later a top functionary of the for only 6 per cent of the Soviet Communist International in imports, supplies two-thirds of Moscow, had to be withdrawn the fresh frult and half of the tinned vegetables imported by minute. That was despite the the Soviets, the unorthodox incentives and increased powers for agricultural enterprises provide dividends also to the Soviet consumers. Mr. Brezhnev's recognition of the various roads to Socialism means a green light to Socialism means a green light. to Socialism means a green light by Hungary's greatest living poet and playright. Mr. Gyula Iliyes were printed last autumn, but are still being withheld for fear of hurting relations with neighbouring Communist coun-

Though the large Soviet limousine taking Mr. Brezhnev and his Huogariao bost to the zirport broke down in the middle of the Elisabeth Bridge and the two leaders had to change to a back-up car, neither this mishap nor resentment at historians stirring up the murky depths of the Stalinist purges are likely to change the fact that the three day visit of Mr. Brezhnev was a political and moral boost for Mr. Kadar.

The visit is also bound to strengthen the bands of those who in the other Eastern bloc countries are pressing for more flexible and outward-looking policies, based on concessions to the profit-instinct and an to maintain traditional supplies increased private enterprise to a landlocked nation, whoever and east Jerusalem. This drew autonomy for the Palestinians officials see this as an element of the remark from Egypt's Dr. without any preconditions. Which can be used as a lever party system.

Boutros Ghali, Minister of State Speaking personally Mr. Dayan the Palestinian negotiations. increased Surveys showed that in 197a party system.

Revival of E. African co-operation in prospect

REVIVAL OF the East African Community with its common market is out of the question. but there are hopes in the area, and among those who do busi-ness with it, of the beginning of a new era of close economic and technical co-operation.

These hopes have been aroused by a recent meeting in Arusba, Tanzania, of President Daniel Arap Moi of Kenya and President Julius Nyerere of Tanzania. It was an important breakthrough in the icy relations which have existed be-tween the two countries since President Nyerere abruptly and unilaterally closed the common border two and a half years ago after the collapse of the East African Community. The result of the Arusha

meeting will undonbtedly be the opening of the border, but it has been stressed that this is not to happen just yet. Kenya's businessmen will have to use a little more patience before normal trade with Tanzania can be resumed. In 1976 Kenya's exports to Tanzania ran at K£33.4m (£42.79m). After the border ban it dropped to K£2.5m (£3.58m) in 1978.

Direct flights

Another result of the meeting was a low-key agreement, in principle, to re-establish air links between the two countries. When the details are worked out this will enable direct flights to he made by national and international airlines between Nairobi and Dar es Salaam, and will save travellers considerable inconvenience and

Another important step was a decision to wbrk out a new bilateral trade agreement between the two countries, from which will flow, presumably, the resumption of land communications and opening of the border. Each country now bas its individual Customs department, as opposed to the old joint Customs

agreement on the complex question of dividing the assets and liabilities of the East African Community and its corporations.
The issue is being considered by
a Swiss mediator, Dr. V.
Umbricht who was appointed by the World Bank, one of the major creditors. The full figures involved bave not been disclosed but run into hundreds of millions of dollars. The two Presidents agreed to speed up the process.

Nyerere's move

Whatever was or was not decided, the important fact was that friendly contact was made between the two Presidents, who had not met since Jomo Kenyatta's funeral. It was significant that the invitation came from President Nyerere.

The meeting came after the overthrow of Idi Amin in Uganda and the setting up of a new Government in Kampala. A large part of the meeting in Arusha was devoted to agreeing on ways and means of aiding Ugandan reconstruc-

There were other fences to mend. The Tanzanians were critical of Kenya's apparent reluctance to help in the military overthrow of Amin, by cutting of bis petrol supplies from the Kenya refinery at Mombasa. Kenya argued that it bad a duty

Iran's Arabs threaten more fighting

MILITANTS from Iran's Arab minority in the vital oil pro-vince of Khuzestan have threatened to resume fighting today if their demands for greater self-rule and recognition of their ethnic rights are not

met.
The threat comes amid cortioning allegations by senior Iranian officials that Iraq is coverily fomenting the unrest. Kuwaii has also been accused of giving strong propaganda support to Iran's Arabs, so as to prepare the ground for seces-

Concern is being expressed in Tehrao at the possible effect on oil production of a second, possibly more bittler, round of in which about 100 people are believed to have died. Although the Iranian Arabs' scope for direct interference with the oil installations is judged to be limited as they belong only to the lower echelons of the work force, acts of sabotage in recent days in the south-western pro-vince bighlight the denger.

Meanwhile the crisis at the top of the National Iranian Oil

Khorramshahr strengthening of security forces in the region, in the light of the possible threat to oil

man. The Board is not expected to persist in its action. In an attempt 10 reduce tension in Khuzestan in advance of loday's deadline from the Arab Cultural and Political Organisation, the provincial government yesterday lifted the red for more important tasks.

Most troops have also been Company eased yesterday after the Government's refusal lo hamad Madani. Governor-Board—a political act in support of Mr. Hassan Nazih, NIOC's managing director and chair-

acts of sabotage of railway lines had been noted in revent days. Oil industry officials reported that a pipeline pumping station was deliberately damaged last Wednesday. The Governorgeneral earlier called for the

Despite the fact that they make up a majority of the region's population, Arabs only constitute a 20th of the workers at the Abadan oil refinery, according to a NIOC engineer. The proportion is somewhat bigher in the oilfields further north, but iob discrimination has long been an Arab grievance, with Persians and other non-Arab Iranians being preference for more important tasks.

six-day state of emergency imposed on the port city of Khorramshahr, where the continuous of Palestine are alleged to have Secret contacts between Arab Arab minority.

own resignation and the disarming of pro-Government militias.

Admiral Madani told reporters and an investigation mission from Tehran that several acts of sabotage of railway lines that been noted in recent days.

Shadegan, north-west of Khorramshahr, are discounted by reporters just back from the region. The PFLP has long been backed by Baghdad, but the Iraqi consul in Khorramshah been noted in recent days. shahr strongly denies charges that his country is behind recent troubles. franian allegations concen-

trate on consignments of pons said to have been shipped across the Shatt al-Arab estuary from near the Iraqi port of Basra. Last month the Government news agency. Pars. said two boat-loads of 8,000 rifles had been captured coming across the Guif, but gave no further details.

smuggling of weapons to its

Ayatollah Khalkhali visited several of the emirates, including Abu Dhahi and Dubai, but has made no statement on the

'Attempted

Ghana fails

GHANA'S military rulers yester-

day appeared to have haited the

second attempted coup in the

country in as many months. Martin Dickson writes. Ghans is

due to return to civillan rule on

July 1 after general elections later this month. According to reports from Accra, the leader of last month's

attempted uprising, Flt.Lt. Jerry Rawlings, was released from jail by dissident other

ranks early yesterday. The dissi-

dents then seized the radio station, which broadcast what was said to be a statement by

Several hours later, the mili-

tary Government appeared to be back in control, Gen. Odartey-

Wellington, Commander of the

Ghanaian Army, announced that

the coup attempt had failed and

broadcast on appear for mem-bers of the armed forces to

Rawlings.

cease fire.

coup' in

Israelis foil guerrilla raid

Kuwait

was intercepted and Tbe group was uncovered started with Egypt aroused con-blown out of the water by after one of the women was siderable opposition within the light. This was the latest of A PALESTINIAN speedboat by a Fatah cell comprising after talks about the future of night. This was the latest of a series of Palestinian sea male leader has not been launched attacks on Israel found, the military spokesman which have been foiled by the said. The group was responsible

As a further part of the war- dozens of injuries, according to fare against Palestinlan guer- the spokesman, rillas, Israell forces yesterday House demoi destroyed one house and scaled un four others on the occupied West Bank. The army spokes-man said that the houses had been used by memhers of a four-member Fatah cell which had been responsible for a number of sabotage attacks. The brisk 'naval encounter

took place near the Lebanese-Israel border where the Pales-tinian craft was engaged by the still holding a number of Jews tinian craft was engaged by the Israeli gunboats. In the exchange of fire the speedboat was hit and sunk. There were no survivors. The military spokesman sald that the Pales-

terday over the decision of the

Israeli cabinet to authorise the

building of a new settlement in

Mr. Dayan was taken by beli-

copter for an unscheduled meet-

ing with President Sadat soon

after his arrival in Cairo for

wbat had been intended as

fairly routine talks over the

pace at which the two countries

There was no evidence, how-

more conciliatory line over settlements policy, despite his

opposition to the decision taken

an airport press conference be

firmly, re-stated Israel's basic

position on the West Bank, Gaza

would normalise relations.

the occupied West Bank.

BY ROGER MATTHEWS IN CAIRO

Jerusalem recently, but the

House demolition was only recently reintroduced as a punishment for sabotage. It was widely used during the late 1960s and early 1970s and aroused considerable opposition even within Israel where many people objected to the punishment of the members of the familles of those engaged in

from the Kiryat Arba settle-ment near Hehron on the West Bank who are suspected of baving attacked a number of Arah homes in Hehron.

West Bank move angers Egypt

PRESIDENT SADAT of Egypt at the Foreign Ministry: "I do added that he saw nothing

view presented by Moshe

seperates Egypt and Israel over

the question of autonomy for Palestinians living on the West

Bank and Gaza. Negotiations on

this issue are due to resume

think that the Israeli Cabinet

of Nahlus created any obstacle

to peace. Egypt, he said, had

ment building a condition for signing the peace treaty. Israel was therefore discussing

autonomy for the Palestinians

Mr. Dayan said be did not

next week in Alexandria.

Dayan.'

ever, of Mr. Dayan adopting a decision to build a new settle-

at Sunday's cabinet meeting. At not made a freeze on new settle-

Five senior Ministers, including the Defeoce and Foreign Ministers, opposed the decision Some of them were also critical of the fact that 200 acres of privately-owned Arab land for at least four deaths and would bave to he taken over for the settlement.

The landowners may appeal to the High Court for an injunction against the land seizure. but in a recent case the court ruled that seizure of land for building settlements was legal. Mr. Ezer Welzman, the Defence Minister, argued in the Cabinet that If the site of the settlement had strategle importance, as argued by some Ministers, then it should be used for a military Installation

and not a new settlement. Mr. Moshe Dayan, the Foreign Minister, argued that the seizure of land was out of place spokesman said that the Falestinians had planned to launch a rocket attack on the coast of Israel.

The houses destroyed and sealed up in the Ramallah area of the West Bank had been used

Arah nomes in Henron.

Meanwhile the Israel Governat at a time when talks on the build a West Bank and Gaza Strip are new Jewish settlement on the just getting under way. He outskirts of Nablus, the West also said that in his opinion the site was not vital from a of this decision only a week

Egypt has demanded that Israel should halt all settlement

building on the West Bank and

meaning of autonomy with Mr.

Dayan again emphasing yester-

day that Israel would never

permit the creation of a Palestinian state and that

Jerusalem would remain an un-

divided city and the capital of

Later Mr. Dayan and Dr.

Ghali were due to begin the first formal round of talks on

the pace at which the "open

countries, announced recently,

would actually come into effect. While Israel is pushing bard for

swift normalisation, Egyptian

officials see this as an element

which can be used as a lever in

between the two

The exchanges between the building on the West Bank and two men at the airport again Gaza. The two sides are also illustrated the vast gulf that deeply divided on the wider

borders"

Boat people warning

The Vietnam "boat people" problem could get wery much worse," with the number of refugees possibly reaching Im, Lord Carrington, Foreign Secre-tary, said in London yesterday. John Hunt reports. Lord Carrington emphasised the need for a UN-sponsored conference sidering setting up a temporary is understood to have protested not wish to comment. Just to sharply to Mr. Moshe Dayan, Israel's Foreign Minister, yes. refugee processing centre on an

Reuter adds: Thailand is conisland in the Gulf of Thailand, Prime Minister Kriangsak Chomanan said in Bangkok.

Duke visits Peking

The Duke of Kent flew into Peking yesterday — the first member of the British Royal Family to visit Communist China, Reuter reports. Duriog his seven-day visit, the Duke will open the British Energy Exhibition, at which more than 300 British companies are represented. More than 700 Britisb businessmen are in Peking for the exhibition.

Barrier Reef ban

Oil exploration and drilling will not be allowed on Australia's Great Barrier Reef until scientific studies show it will not harm the environment, Mr. Malcolm Fraser, Australia's Prima Minister, said yesterday, Reuter reports from Canberra

THE ERASMUS COMMISSION FINDINGS

Vorster 'kept knowledge of irregularities from his Cabinet'

comolission investigating South Mr. Vorster's successor as Africa's secret funds scandal has Prime Minister, to investigate castigated President John the scandal which has been Vorster for covering up the troubling South Africa for affair when be was Prime more than a year. Minister. In a report tabled in Parliament, the commission said it was amending its earlier find-tions, sending lawyers overseas ing that Mr. Vorster had to examine Information Departemerged from the affair with un- ment activities in global propablemished integrity. The report ganda and studying bank said that by covering up mis-accounts of principal figures in appropriations of millions of rands by the Government's former Information Department, into allegations that South Mr. Vorster had to share African Government money was responsibility for the irregular used to buy into the UPITN actions of Dr. Connie Mulder, international news film agency the former Toformation and the Californian newspaper Minister, who has been ousted Sacramento Uoion, as well as from the Cabinet, Parliament in attempts to buy the Wasbingand the ruling National Party ton Star and a share of the because of the scandal.

The report said: "For more than a year, Vorster, together administration of the country from his Cabinet colleagues, at oponsition were already making

therefore had, because of the report commented. ecllective responsibility of the In its first report last Decem-Cabinet, to hear the stigma of ber, the Erasmus Commission public accusations without know- said: "It must be stated early ing all the facts." The report is the third, and is

The commission ranged widely in its latest investiga-For the first time, it went

ton Star and a share of the British publishing company, Morgan Grampian. The report repeated the com-

with Dr. Mulder, kept his know-ledge of irregularities in the administration of the country and of Mr. Owen Horwood, the Fioance Minister. It also exonerated Mr. Johannes Wal-deck, an Ioformatioo Departserious insinuations and accusations of maladministration
against the Government.

"During this period every
inoocent member of the Cabinet
the injustice done to him," the

and unequivocably that Mr.







Leading figures in the drama: left to right, Mr. Horwood, Dr. Mulder, Dr. Rhoodie, and the Prime Minister

But the section on Mr.
Vorster in the latest report
said: "The commission's finding . . . stands amended in the
light of the findings and conclusions in this chapter."

Mr. Vorster has already admitted publicly that he knew from August, 1977, about the now-disbanded Information Department's funding of the right-wing English-language news-paper The Citizen as a counter to the rest of the normally anti-Government English-language Press in South Africa. This project was code-named "Anne-marie" and was at the beart of

ight of the findings and con-dusions in this chapter."

Mr. Vorster has already

paper. which became public knowledge only late last year, after Mr. Botha had taken over

as Prime Minister. The report said the comcorrect picture.

any trace of personal gain. In the commission's opinion his integrity is unblemished."

But the section on Mr. Cabinet or his party of the itiated the plan to help Mr. The commission's finding . . . stands amended in the ing . . . stands amended in the maper, which became public later became President, died without a land-bicolase Diederichs that Mr. \$10m to buy and run the newspany to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., began buying shares in Morgan Star Mr. McGoff to buy Paramount Films' 50 per cent share in the buy Alpane's shares in Morgan as part of Trafalgar's takeover bid, and Mr. Abramson, and Mr. Stuart Pegg, bis co-director in a company called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., offered to buy Paramount Films' 50 per cent share in the state's connections with the in 1974. Dr. Diederichs, who make the then Finance Minister, Dr. said be bad used the entire \$10m to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., offered to buy Alpane's shares in Morgan the state's connections with the in 1974. Dr. Diederichs, who make the time Finance Minister, Dr. said be bad used the entire \$10m to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., offered to buy Paramount Films' 50 per cent share in the state's connections with the in 1974. Dr. Diederichs, who make the plan to help Mr. The commission said a further \$1.35m was made available to Mr. McGoff to buy Paramount Films' 50 per cent share in the state's connections with the in 1974. Dr. Diederichs, who make the plan to help Mr. Stuart Pegg, bis co-director in a company to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., offered to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., offered to buy and run the newspany called Alpane Ltd., began buying shares in Morgan Trafalgar House Ltd., last year. Mr. McGoff aaid be would put up \$15m and asked South Africa

contribute \$10m, according mission believed Mr. Vorster to evidence to the commission. knew that a report clearing the the money was transferred department of irregularities, through Switzerland but the which was given to him in deal fell through.

September, 1978, painted an in-

The commission said that at Africa), but acquired it for Information Department.

a meeting in South Africa. Mr. bimself," the report added.

The Erasmus Commission In its examination of other McGoff put up the idea of buy-

Films' 50 per cent share in the UPITN company, which the re-port calls "UPITV"—in which UPITN company, which the United Press International news agency and Independent Television News in Britain each beld 25 per cent. "McGoff purichased Paramount Films' 50 per cent share in UPITV on behalf cent share in UPITV on behalf divided between Alpane and the Information Department.

It said Mr. McGoff eventually

Leipprand, for \$30,000, the report added.

On the Morgan Grampian dealings, the report said Dr. Rhoodie was keen to acquire shares in a British publishing company to use its publications for opinion-forming in favour of South Africa. The department guaranteed a \$4.6m foreign loan to Mr. David Abramaon, a Johannesburg businessman, in 1976 to acquire 20 per cent of Morgan Grampian, with the Information Department to Information Department to receive 20 per cent of the proceeds. Later the department provided another \$1.5m interestfree for the project, and also pald interest on the original

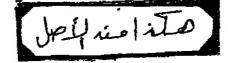
said differences emerged on The report is the third, and is Vorster's attitude and actions ject was code-named "Annespected to be the last, issued through all the activities in-marie" and was at the beart of the commission, under the commission said Mr. Browne, former Secretary for commission said it was given agreed to write off \$3.38m. The cluded that the operation was man that commission was set up last honest, bona fide and devoid of Vorster called the election of Finance, that he had beard from evidence that Mr. McGoff later remaining debt of \$1m was sold not made for personal gain Reuter.

The commission examined the bank accounts of a number of key figures in the scandal, including Dr. Rhoodie who has fied the country and is wanted on theft and fraud charges.

Noting that Dr. Rhoodle was earning a net salary of not more than 1.146 Rand (\$1,352) a month, it said that he and his wife had combined bank deposits of more than R416,000 (\$490,000). It added that in the absence of explanations from the couple, the source of cash deposits remained a mystery.

The Commission also reproduced earlier but unpublished evidence from General Hendrik Van dan Bergb, former head of the Burean for State Security, whom it accused in its first report of being a prime mover in the department's irregular activities. The General bad claimed that the commission was making him a scapegoat and that its proceedings were a farce.

The Commission published for the first time evidence in which the General said his men would kill on instruction. According to the commission, the General said he had good men under him and added. "I can tell you here today, not for can tell you here today, not for your records, but I can tell you that I have enough men who would murder if I asked them to kill . . . I don't care who the victim is. That is the sort of man that I bave ... "



Financial Times Tuesday June 5 1979

Would your bank manager buy you will know that your needs aren't always obvious or straightforward. In fact, business necessities can seem your Midland unusual-to outsiders. For instance, team of specialists. If you run a company, you will know Provided there's a sound business

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Tensions in the non-aligned movement before the Havana summit

Cubans pursue new ambitions

BY OUR FOREIGN STAFF

Founded in 1955, the strength

THE FATE of the non-aligned movement is in the balance and during the next few mooths the role that Cuba plays could show whether the movement will take nn a new lease of life or break

up and fade into iosignificance. Tbis week the foreign ministers of the participating countries will meet in Colombo to make the final delicate errangements for the summit which is due to take place in Havana between September 3

and 7.
The movement, which has 88 members—mainly in the Middle East, Africa and Asia—is deeply split. The Cubans, who would be hosts to the conference in Havana, would in that case have an important role in preparing the agenda. They would like to see it place more reliance on the Soviet Union's view of the world. This would involve accepting the Russian view that the future, in particular of the developing countries, belongs to Marxist-Leninism.
This stand has brought into

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

ratification by the Senste less the next 21 years.

Conservative opponents of should bear the full cost, esti-

the treaties, who fell only two mates of which vary between votes short of preventing their \$800m and more than \$4bn over

change the details of the issue until the middle of tbls treaties so that they are un-month hecause it felt it lacked

of Representatives to try to poned critical votes on

Most member states strongly oppose the Cuban view. Somalia last year called for the expulsion of Cuba from the non-aligned movement, reflecting leaders as widespread criticism in Africa
of Cuba's tics with the Soviet
Union and of the intervention of Cunan forces in conflicts in Africa. Cuba was also condemned at a meeting of the Yugoslav Communist Party last June for not opposing "hegemonism"—an indirect reference

to Russia. The cobesion of the non-aligned movement has also been strained by a variety of regional issues. Most Arab states would like to see the expulsion of Egypt. China is anxious that diplomatic recognition should be witheld from the new regime of Heng Samrin in Cambodia which it denounces as a puppet of Vietnam and the Soviet Union. These differences come at a

time when there is little else to hold the movement together but common apposition to This stand has brought into question whether Cuba would be an acceptable host for the summit.

This stand has brought into question whether Cuba would be an acceptable host for the summit.

This stand has brought into question whether Cuba would be attempts of developing nations so developing nations.

This stand has brought into racism, a commitment to distinct the distribution of developing nations and interest in demonstrating the demonstrating ravana would ne a disaster for its usefulness in rallying developing countries to the attempts of developing nations.

Soviet standard. It is for that they now are

THE CARTER Administration Their vebicle is the implenow faces another tough confrontation with Congress over a foreign policy issue which it mical items like payment for the chant Marine and Fisheries

hoped it had resolved last year
—the transfer by the year 2000
of ownership of the Panama

The payment for the Committee because it was clear their own Bill was dead.

The payment for the Committee because it was clear their own Bill was dead.

Even this compromise Bill,

Panama, not the U.S. taxpayer,

than a year ago, are now The Democratic leadership of However, it is cleerly the lesser mustering forces in the House the House has already post- of two evils compared with the

acceptable of the Panamanian the necessary support. In would be patently unacceptable Government.

Administration's to Panama.

the

of the movement under such leaders as Nehru, Nasser, Sukarno, Nkrumah and Tito was its anti-American and anti-Russian stance at a time when the two powers were competing for allies during the Cold War. But its importance has since been eclipsed hoth by detente and by new groupings among

developing countries pursuing their economic and political goals through other organisa-To a small number of countries however the non-aligned movement is still of cruvial importance. Foremost among them is Cuba which is the reason Havena will be pressing bard at the Colombo meeting of a hloc of developing countries to be host for the next con-

prosperity and defence capabili- better trade and aid terms. ties depend on Moscow, Cuba has an interest in demonstrating

Carter opponents seize on Panama treaty

in the view of the State Depart-ment, comes perilously close to

violating the spirit, if not the letter, of last year's treaties and

therefore invites rejection.

Bill drafted by the treaty's opponents, under Republican George Hansen of Oblo, which

tion of the world's wealth in Castrn is boping that many heads of state will go to his Founded in 1955, the strength capital in September and bet Brezhnev's policiea. But, perhaps even more im-

portant, he needs a good selec-tion of high level representatives and new impetus for the movement for his and Cuha's ambitions to be recognised as a leader of the whole Third World. ambitions which lead to the foundation of the revoluntionary African, Asian end Letin Ameri-can Peoples Solidarity Organisadispatch of troops and civilian experts to Latin America. Africa which would press the developed world-and indeed the richer countries of Comecon - for

Any diplomatic debacle in Havana would he a disaster for on the whim of the USSR

The most controvarsial ele-ments in the compromise Bill

would give effective control of

the Panama Canal Commission.

the executive body to the Defence Department for the next 21 years, it would also

require Congressional approval

for property transfers to Panama, and would eliminate

the \$10m annual payment to Panama from canal operating

Under the treaty, Panama was

sen Bill would require that international commitments in

Panama uses these proceeds to such a cavalier manner.

to receive annual payments of

as much as \$85m a year derived

from canal revenues. The Han-



President Castro . . . aiming for Third world leadership

Among the main protagonists therefore there are strong reasons for a compromise that

pay for the entire cost of transfer of ownership and properties.

pointed out that under inter-

national law Panama would be

entitled to renounce last year's

agreements if the House wreaks

substantive changes, and uni-

laterally to assume control of the canal when the original

as Mr. David Bowen, the Missis

sippi Democrat, who opposed the treaties a year ago are now arguing that the U.S. Coogress

cannot treat properly ratified

pacts expire this autumn. Even some Congressmen, such

Supporters of the treaties bave

Quebec confirms moderate stance

QUEBEC.—The separatists Parti quebecois restated nn Sunday its desire in bring hout Quebec's secession from about Quener's secession rather than unitateral action.

The province's ruling party

made its decalartion after a three-day convention, the last it will hold before a longawaited referendum in largely French-speaking Quebec nn the separatinn plans of bir. Renc Levesque's Government.

The conference passed resolutions that an independent Quehec would seek a enmmn currency with Canada, with a jointly-run central bank, no tariff or trade barriers and free movement of persons and capital, and that it would have a fureign pnliey renouncing war, but would stay in NATO and participate in the U.S.-Canada defence agreement.

Other resulutions passed at the ennvention included: • The rejection of a unilateral declaratinn of independence, unless the rest of Canada spurns the party's demands for elnse economic links between Quebcc and Canada.

• If people vnted "yes" in the forthcoming referendum, which could be beld as early as this outumn, the Quebec from the federal government in Ottawa "all powers beiong-ing to a sovereign State."

O If negotiations to achieve Independence failed, then the Parti quebecois government would call a second referendum or a provincial election tn determine whether tn pro-ceed with political sovereignty without the desired economic

Insurance benefits

THE OUTGOING Canadian Liberal Government agreed tn postpone restrictions on nnemployment insurance benefits that were scheduled to go ioto effect last Sunday night, writes our Ottawa correspondent.

Mr. Joe Clark, the new Prime Minister, decided the changes should be deferred pending a review by the person who replaces defeated Liberal Bud Cullen, the former Minister of Employ-The changes passed Parliament last

They were opposed by the Conservatives at the time and create new categories of insurance claimants and increase the number of weeks persons have to work before they qualify for benefits.

Strike ends

WORKERS at Inco Metals Company voted yesterday to accept a three-year contract ending an eight-month strike that cost Canada a record number of lost man hours, Victor Mackie reports from

Mr. Glibert Gilebrist, Northern Ontario supervisor for the United Steelworkers of America, sald the members of local branch voted 67.6 per cent in favour of the contract. He said the vote was 5,983 tn 2,869.

Reserves drop

CANADA'S official reserves fell by US\$1,06bn in May to US\$4.08bn. The drop in April had been US\$279m, the Finance Ministry reported yesterday, agencles report from Ottawa.

Managua airport a 'war zone' as Leftists advance

CENERAL STRIKE was called in Nicaragua yesterday by the Sandinista guerrilla movement as its forces continued what they hope will be the final push against the Government of Gen. Anastasio

The Sandinistas are reported to have declared Las Mercedes airport in Managua, the capital. "war zone" and warned international travellers not to

As Sandinista activity cnntinued in many areas of the country the Somon Government bas increasingly been seeking international support. Radio Reloj in San Jose, the capital of neighbouring Costa Rica, reported that Gen. Somoza's son, Colonel Anasastio Somoza, the commander of a crack unit of the National Cuard, is seeking aid in the

U.S. Gen. Roger Jerez, the Deputy Defence illinister, was reported to be on a similar mission to Gen. Jurge Videla, the Argentinian President, while another emissary has gone to Santiago. It is expected that Condeca, the Central American Defence Council, will meet this week to consider Gen. Somoza's appeal

for help. Besides Nicaragua, Condeca has only two active members, the Covernments of El Salvador and Guatemala. Costa Rica has no army and Honduras has not been an active member since its "football war" with El Salvador in

Panama is not an active member either and has in the past assisted the insurgents against the 42-year-old rule of the Somoza family.

With fighting reported near the southern border with Costa Rica, and also in the cities of Leon, Rivas Chinandega and the departments of Nueva Scgovia and Carazo, it has been reported that the pro-Somoza forces have been using napalm.

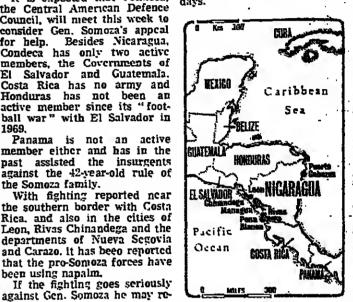
If the fighting goes seriously

ccive reinforcements from El Salvador and Guatemala, who fear the establishment of a Laftwing Government on the Ceotral American isthmus which might exacerbate their own domestic political problems.

During last September's unsuccessful drive against the Somoza Government, troops from both countries were re-ported to have been fighting against the Sandinistas. The two governments have denied sending troops and the Salvadareans and Nicaragnans may have been mercenaries or members of the Right-wing vigilante which are active in both coun-

In London the Foreign and Commonwealth Office know of no plans for a Brilish airlilt of civilians from the war torn

country. On Sunday the West German Government chartered a Pana-manian aircraft to ferry 74 West German nationals mostly women and children, from Managua to safety in San Jose. Seats on aircraft out of Nicaragua have been difficult to obtain for some



CAB may lift threat of anti-trust sanctions

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S scheduled air-lines may win a reprieve from a that the CAB was trying to threat by the U.S. Civil Aero-influence international civil nautics Board to impose antitrust sanctions on them.

The threat was first made by the CAB, the governing body of U.S. civil aviation, last summer. At that time it said it wanted the airlines, through the Inter-national Air Transport Association (IATA), to "show cause why they should remain exempt from the U.S. anti-trust laws, especially where fixing fares is concerned.

The implication was that if the airlines enuld not prove to the CAB's satisfaction that they deserved such immunity, it would be withdrawn, thereby

opening them to severe penalties under U.S. law. Since then, the CAB's "show cause" action has been attacked vigorously by more than 45

aviation affairs without justifica-

Earlier this year, the CAB said it wanted the world's airlines to present their arguments by late summer, so that it could take a decision on the cause" order by September.

Now, however, the State Department, acting under pressure from foreign ments, has asked the CAB to delay any action for at least another year, until late summer 1930, to give more time for the matter tu be discussed Internationally.

Under such circumstances, the CAB seems likely to have little alternative but to agree, thus removing the threat of punitive action against the world's airforeign governments and more lines this year.

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Controller

April 1979



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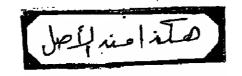
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China may postpone indefinitely Japanese advalchemical projects

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

construction of two 300,000 ethyleoe plaots, depending the outcome of talks now der way in Peking with the

It has not, however, issued

ong 22 contracts worth Japanese businessmen said 9bn whose implementation that if China were to postpone s delayed early this year as or cancel two out of the four oblems and the revision of remaining two would have to comic development plans. be revised upwards.

INA MAY postpone indefi- The main contractor for the ely the implementation of four is Toyo Engineering in o out of four cootracts signed association with C. Itoh (for th Japanese companies for three contracts) and Mitsui (for one contract).

The three Japanese com panies bave had representatives in Peking for the past ten days discussing the cootracts. The main purpose of the discussions ncellation notices for the has been to work out deferred payment financing arrangements coocerned. The four petrochemical con-icts, valued at \$510m, were the cootracts were signed.

result of Chinese payments contracts the prices of the

Preliminary accord on procurement signed

rokyo - Japan and the S. have reached a preliminary it would "agree to seek to reement expanding the encourage U.S. coal imports into ount of Government con- Japan," but there was no mencts open to foreign bidding, tioo of how much coal was Mr. Robert Strauss, the U.S. ief Trade Negotiator, said be Etialled a joint statement with Nobuniko Ushiba, his canese counterpart, calling each country to reciprocate the level of Government ocurement contracts to be

en ed. Mr. Strauss said the precise els remain to be worked out, t suggested the pact answers 3. demands that Japan widen ers to its huge domestic

the joint statement signifies it the U.S. and Japan have eed to ease the tensions that mouoted over the trade balance in Japan's favour, in te for the economic summit reting to be held here late

> lapan has said it will elerate tariff cuts agreed -cing the recently concluded eyo round of trade talks by king cuts planned for 1980 I 1981 all in 1980,

The Japanese side also said

under discussion.

Meanwhile a group of four Japanese steel companies has reached basic agreement to export about 290,000 toooes of large calibre steel pipes at undisclosed prices to the Soviet Union between July and

December. The four are Nippoo Steel Sumitomo Metal Industries. Nippoo Kokan and Kawasaki Steel

 Ishikawajima-Harima Heavy Industries (IHI) has received an order to build a 250,000 dwt oil tanker for Idemitsu Tanker Company.

IHI refused to give further details, but it is understood the tanker will cost Y10bo (£22m) IHI said this is the first order for a large tanker placed in Japan for three years.

Eogioeering bas received an order for a 170,000 dwt tanker from Nissho Kisen Kaisba. It is expected to cost Y7bn (£18m).

Israel to propose \$30bn t sancMiddle East loan fund

BY MAURICE SAMUELSON ...

BLUE print for a \$30bo devement fund for the Middle st will be presented inform-y this week at the Bank of Comparing the proposed fund the "Marshall Plan" of postr Europe, he said its primary o would be to ease the buge rden of foreign debt accumu-ed by the Middle East illgerents over the past 30

f adopted, the Middle East ild strive for an annual ild contribute to a settlement the refugee problem. Since : 1973 war. Israel's growth e had fallen from about 10 r cent a year to 5.2 per cent

israel's war debts were about ?bn aod Egypt's were esti-ited at \$10bn. In Israel, whose population were only a tenth gypt's, this meast a per oita burden of \$3,500. Western supporters of the

nd would serve their economic political interests — by engtheoing the area's stability ile their own industries could rticipate in large infrastruc-

According to Mr Gafuy, the fund would have to be launched by the U.S. Egypt and Israel, but could then win support from ernational Settlementa at Western European countries, sic by Mr. Arnon Gafny, Japan and other Arab States sernor of the Bank of Israel. which might join the peace pro-

> In the first stage, the fund would consist of long-term development loans to Egypt and Israel io the form of recycled debts. The first \$15bn could be mobilised in the 1980s from the US and other industrialised. the U.S. and other iodustrialised countries.

> Subsequently, a further \$15bn could be raised through co-financing by commercial banks to member countries, as well as by the World Bank and Ioternational Monetary Fund.
> In the next three years, Israel

just why.

Firstly, it employs

not one but two, micro-

control its functions with

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between the first and the last.

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minute (A4 size), from its copious, twin cassettes.

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which 'bleeps' to acknowledge your

computers. And these

33 crisp, clear copies a

unerring accuracy.

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you'll appreciate

diture because of the need to redeploy her army from Sioai. But eventually lower governmeot expenditure would be the rently running at 70 per cent. Meanwhile, Israel had a fav-

ourable climate for investment, especially sioce the relaxation of foreign exchange controls in October, 1977 which boosted Israel's reserves by \$14bo, or about 50 per cent.

South American summit discusses co-operation

BY KIM FUAD IN CARACAS

NEZUELA, COLOMBIA, uador, Peru and Bolivia have reed to direct greater efforts vards economic and political cgration in the 1980s through Andean Common Market. The Heads of State of the South American nations nations' ld a three-day summit meet-; last week in Cartagena, lombia. 10 evaluate progress nieved since the Andean Comm Market was established in

Its fundamental goals are to ver tariff barriers and plan The five Presidents signed stem (SELA); the establishent of a tribunal to enforce minitments and regular sumt meetings, starting next year

Industrial programming, which has caused rivalries in distribution of production of petro chemicals, metal works and automobiles, will be revised to take into account the idiosyn-crasies of each of the five economies, uoder the Cartagena agreements.

The Heads of State promised to give the private sector an enlarged role in plaoning, but apparently did oot take ioto account Venezuelan businessmen's complaints nf treatment.

Ten days before the summit Fedecamaras, Venezuela's most ir documents calling for influential private business reased efforts to accelerate egration; strengthening of Latin American Economic topy (SELA), the accelerate ment claiming Venezuela, the Andean Common Market's most prosperous member with 45 per cent of the bloc's joint gross national product. is gaining little or no benefits.

Uganda ready to resume imports

BY JOHN WORRALL IN NAIROBI

SAM SEBAGEREKA, "looked encouraging." Foreign anda's Finance Minister, has that foreign change will soon be available r import transactions.

According to Uganda Radio. lold a weekend rally that the currency balances led to some improvement.

trade transactions were halted when the new government tool over lo Uganda in April. Mr. Sebagereka said recently that available foreign reserves were in the region of £10m but recent sales of coffee may have

WEST GERMAN INDUSTRY Soviet help

industry's prospects because of its heavy reliance on exports. a large proportion of which goes to politically volatile

of steel a year four years after work starts. The plant eapacity will later be expanded to 3.5m tons of The Vishakapatnam unit and planned expansino on three other steel plants will take India's steel-making capacity to 14.6m tons in 1982-83 and to 20.6m tons by DM 14.5bn (87.59bn). This compares with the comparatively weak inflow of DM 11.31bm in 1988-89 from 11.4m metric

tous this year. At least two units similar in size to the Vishakapatnam plant are being negotiated. Mr. Patnaik recently told the Indian Parliament that dis-Cussions were under way with West Germany, the U.S., Romania, Austria and France for the next two plants. Mannesmann Demag of West Germany, he said, has submitted a francing plan while from abroad. "The export quota . . .

preliminary discussions have been held with Davy Interna-tional and British Steel. These plants include finance and technology as part of the package and may include buy-back arrangement as part of the payment of credits.

AP-DJ

mitted a financing plan-while

for Indian

steel plant

NEW DELHI-India Said it

is to set op a steel plant, its

seveoth fully integrated unit.

at Vishakapatnam on the east coast with Soviet technical

Mr. Bljn Patnaik, the Indian Steel Minister said the \$2.75bn unit would he cap-

able of producing 1.3m tons

and financial help.

steel a year.

countries. Annual reports on the industry, produced by the capital plant construction section of the W. German Mechanical Engineeriog Associatioo (VDMA) sald that bookings last year totalled

But while this growth rate may seem dramatic the 1978 ioflow lies only slightly above the previous high of DM 14.06bo, recorded to 1976. Furthermore, the VDMA points out that manufacturers are worried as some 82.8 per cent of all orders came

underlines the heavy depen-dance (of the indostry) on overseas sales, a factor which. because of receot political developments is not without the report comproblems "

"For instance, the events in Iran iodicate that the sudden political change could have ao unhealthy effect on contracts already signed or lined up for

WEST GERMAN capital plant industrial plant coostruction. as a customer but it warns that to offset lost orders in other manufacturers saw orders io-Similar developments in other although the potential demand markets. manufacturers saw orders iocrease by a hefty 28.ā per cent
last year. Despite this, they
are deeply concerned about the
industry's prospects because of
its heavy reliance on exports.

Similar developments in other
could also cause from China was "immeasurserious sethacks to the German
able " the build up lo orders
could only realistically be made
in small steps. Chinese orders
growing importance of China therefore could not be expected

Varta-Sanyo battery deal

large research and develop-

ment nperation—which has been devoting a large part of

its resources to developing oew battery systems—has

selected Sanyo's battery to

The Sanyo battery, tt claims, performs highly in terms of economics, safety

and reliability. It meets all environmental requirements

and there is a sufficient supply of raw materials for its

a oon-exclusive "know-how"

and partnership liceoce from

the worldwide marketing development of the batteries, according to the agreement. They have also agreed to

promote standardisation of the battery.

Both groups are to promote

maoufacture.

supplement its programme.

BY OUR FRANKFURT CORRESPONDENT

VARTA BATTERIE, West Germany's largest battery manufacturer, and Sanyo Electric Company of Jopan, are to co-operate closely in the Lithium - manganese dioxide hattery field. An agreement between the two groups. covering develop-ment, sales and manufacture. was signed last weck. Lithiummanganese dioxide batteries are used to power such things as electronic calculators, watches and clocks. In the batteries, manganese dioxide is used as the anode while lithium metal takes the sole lithlum metal takes the role

of the cathode. Sanyo has been a froot runner in the field since it announced the development of the battery io the autumo of 1975. Varta, the leading shareholder of which is the West German Quandt group, is one of the world's leading

battery manofacturers. According to a statement by the two groups, Varta's An analysis of the domestic

market graphically illustrates the industry's dependance on exports. Home orders were up 28.6 per cent to DM 2.5bn indicating a slight improvement in domestic readioess to invest.

However bome bookings as a proportion of total orders remained at 17 per cent. At the same time, bome sales were virtually unchanged at DM 2.63bn. The sectors of the industry showing the most powerful growth were the chemical plant manufacturers and nower station constructors.

Foreign orders on the other hand, rose 28 per cent to DM 12.03bn, compared with the previous year's relatively weak DM 9.37bn. Even so the order volume lay somewbat below the 1976 level because of increased international competition said the report.

Ao important factor in com-Under the agreement. Varta will start selling the Sanyo-developed battery this year. It will follow this hy mann-facturing the batteries under petitioo are West German wage sales must be the equivalent of costs in the iodustry. Since \$1m at the time of application, costs in the iodustry. Since \$1m at the time of application, 1975 West German wages have increasing to \$7m in the first rise in Deutsche Mark terms year, \$15m in the second year from DM 15.66 an hour to and \$30m in year three. DM 20.06 io 1978. During the same period U.S. wages have registration, drawn up by a convrisen from the equivalent of mittee which has been looking DM 16.10 an hour to DM 16.99, at the issue for two years. In Italy the rise has been from include a minimum net worth of DM 10.69 an hour to DM 13.72; Pesos 2m (867.000), exports of in Japan from DM 8.29 an bour at least thre eproducts rising to

Manila looks concern over capital goods exports at aid for trading companies

By Daniel Nelson in Manila

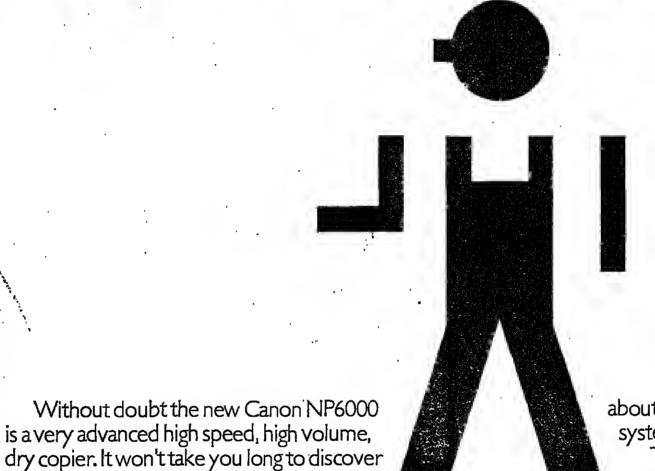
A SECOND public hearing will be held this week to allow representatives of major exporting companies in the Philippines to present their views Government plans to establish major trading companies modelled on those in Japan and

South Karea. The licaring was set when only two companies—National Steel and Rustan Commercial applied for trading company status out of 33 who requested application forms.

Mr. Francisco Valeda, assistant Minister of Trade, told the Financial Times that the first public hearing last month indicated that the financial incentives appeared to be adequate. The problem was companies' fears that they would be unable to meet the export growth requirements:

Conditions of eligibility for to DM 12.15; and in Britain from seven non-traditional products DM 8.49 to DM 8.82 an hour. by the third year;

The new Canon NP6000



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field

plan

steel platform.

Fierce

contract.

Pervl A, where there is spore canacity, before being loaded

At present the Beryl Field

tankers are lossed through a mooring byov anchored to the

sea-hed, but it is unlikely that

the present huny could cone with the extra production from North Beryl without radical

Block 9/13a is one of the most

Intensively explored areas of the

North Sea To date 20 wells have

been completed at a cost of well

over \$100m. The whole block is thought to have recoverable reserves of 600m-700m barrels

the Shetlands. A third applica-

tion is likely this summer, how-

ever, from the Marathon group for the development of part of

the Brae Field in the central

Grenside

discipline

By Michael Lafferty

fied Accountants.
The scheme was

Trade reports.

petent work.

scheme

plan backed

CHARTERED ACCOUNTANTS

in England and Wales have

voted overwhelmingly for a oew

come from the Scottisb Institute

and the Association of Certi-

The scheme was mended by the Grenside Report

after extensive criticism of

leading accounting firms in a

Accountants say that imple-

mentation of the Grenside

proposals would make accoun-

taocy the only profession in the UK which had taken power to

disciplioe members for incom-

The proposals are for a joint

scheme by the accountancy bodies to inquire into and make

offshore ioto tankers.

agreed

Bus and rail operators give warning on subsidies cuts

BUS AND RAIL operators have spending is likely to be reduced



SIR PETER PARKER Under pressure

resulting from next week's will inevitably mean

Gold share

UNIT TRUSTS specialising in

gold shares are top performers

in the industry's league tables

so far this year, according to

mining shares, Is In first posi-

tion for growth in the first five

months, with a gain of 47 per cent lu its offer price. Britannia's Gold and Geoeral

trust, with a similar investment

in the wake of the energy crisis.

Wortles about energy have also

of the 30 top-performing trusts.

Funds specialising in the British market make up most of

The Schlesinger Property

Shares Trust Is the top British fund, second in the overall

Heoderson Capital Growth and Henderson Financial are in

The five worst-performing

trusts are funds specialising in

Far Eastern shares ruo by the Crescent, Allied-Hambro, M & G.

Save and Prosper and Midland

Lease brokers

trying to form

an association

By Michael Lafferty
THE LEASE BROKING sub-

sidiaries of two City money-

brokers have launched a move

to form a lease brokers' associa-

Prime movers are R. P. Martin

Leasing and Fulton Packshaw

Leasing. They are inviting all

prospective members of the pro-

posed association to a meeting at

3.30 m on Friday at Fulton

the association was necessary to

regulate the lease broking mar-

full name of Robert Alan Monk-house, of Eggington, near Leighton Buzzard, Beds., and

of Woodhurst Road, Acton,

West London, deny charges of plotting to defraud film distri-

butors of hiring fees.

Hiring

Sherry losing

popularity

One of the organisers said

Packshaw's offices.

market's relative strengt

fourth and fifth positions.

Their performance reflects

policy, Is in third place.

unit trusts

top table

By Eamonn Fingleton

warned the Government that by between £20m and £25m as any cuts in their subsidies a result of economics to be

announced by the Chancellor. British Rail dismissed as " pure speculation " yesterday reports that it was considering a fares increase of hetween 20 and 2a per cent this autumn, but it has privately been made clear to Mr. Norman Fowler. Transport Minister, that a sub-

British Rail's hudget is already under pressure follow-ing the £13m cost of its winter strikes and a 9 per cent wages settlement. rather than the a per cent budgeted for.

Since then, it has faced higher fuel costs, amounting to an extra £19m in a full year and now the prospect of its

share of public spending cuts.
The strongest political bargaining card held by British Rail is its ability to load the next round of fare increases on to London commuters.

It was barred from such a policy as a result of a Price Commission report two years ago, on the grounds that it did not possess adequate data to justify such a policy. With the commission about to

services.

So out of existence, British Rail

Anxiety has spread through is not hesitating to suggest the transport industries since it privately that commuters will Rail's internal figures suggested many small operators' services," became clear that transport feel the full force of any cuts a possible S to 10 per cent fare he said.



Private warning

in Government subsidy, which amounted to £436m last year. Its Inter-City business is still growing ahead of expectations this year and there is reluctance to disturb the progress of what are regarded as marketing

rise this autumn.

Although the rail board meets to consider pricing on Thursday.

nound to rise faster than innation if services were not cut.

"We bave just reached a period of reasonable stability block 9/13 to the east of the after a neriod of falling passes ger traffic and there is no doubt that cuts will undermine this same block as the existing Beryl that cuts will undermine this same block as the existing Beryl that cuts will undermine this same block as the existing Beryl Field, which came on stream in June. 1976 and is producing at

Mr Quin said that a new study about 160,000 herrels a day had suggested some operators: It has estimated recoverable would be facing a 20 per cent reserves of 250m-200m herrels increase in operating costs from of crude oil, making it one of the cost of the c this October as a result of Britain adopting a further series of EEC drivers' bours regula !

We are caught in a double methods. including the use of vicious spiral, which is being subsea wellheads, but it is made worse by a fuel shortage understood that it has opted which has already caused cuts in i finally for the well-tried North

Sir Keith likely to ease Finniston Inquiry fears

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

FEARS THAT the Finniston maintain a register of engineers, ment Office, in promoting links. Planned Savings magazine.
Britannia's Minerals Trust,
which is wholly invested in gold profession might receive scant tion. The committee views the attention from the Government present voluntary regulations by seem likely to be allayed by the interest that Sir Keith Joseph, lodustry Secretary, has for the subject

The report is not likely to he delivered to SIr Kelth before September, followed by publica-tion probably in mid-October. Its proposals are expected to the buoyancy of the gold price form the hasis of considerable discussion hecause of Sir Keith's interest, although the technique helped other funds investing in commodities and energy indus-tries which make up one-third of appointing a committee of inquiry for this purpose is not likely to have any appeal for

The most controversial recommendation expected to he contained in the report—much of which has been almost agreed the rest of the top places, reflecting the Lundan stock upon by the committee-is the setting up of a supervisory and regulatory body which is soing by the came of the British Engineering Authority at the

Inquiry loto the engineering and also carry a policing functhe engineering institutions as being insufficient in this respect. The point at which a person had gained sufficient education, and experience, to become a registered engineer, however, may not he easy for the committee to decide.

The composition of the

authority has also not yet been finalised. The feeling is that some authority members would have to he appointed hy the Industry Secretary, at least in the first lostance. But the committee is anxious to get employer involvment in the authority as well, which would need to get dustry. But it would be expected

than doing the job itself.

Some of the committee, in-cluding Sir Monty Finniston, had been anxious to stress the difficulties imposed on the status of engineering by the financial and fiscal climate. This has now been largely rendered unnecessary, however, by the Government's pledges to work towards changes in the environ-ment. But mention is likely to be made of the need for more venture capital so that engin-eers can use their skills in set-tiog up enterprises of their own.

The report will also recomment that more companies introduce manpower audits, fol-lowing the committee's discovery that there is a surpris-

that too many companies use The body would specify the to do this more by encouraging their eogineers as a commodity type of degree which would lead existing mechanisms, such as to an engineering qualification, the National Economic Develop-fully developed.

Accounting body likely to adopt new investment rules soon

BY MICHAEL LAFFERTY

THE ACCOUNTING Standards that an associate relationship tive statement from the Board Committee, the rule-making hody on UK accounting matters, is expected to adopt new rules soon for the treatment of investments in associate companies.

When one company holds an associate stake in another it is able to include a proportionate share of the associate's results with its own; in the case of other iovestments only dividends received may be taken into account.

This follows a review of the existing accounting standard SSAP I, on associate company up last year under the chairman-ship of Mr. Martin Gibhs, senior Drew, the London slockbrokers, SHERRY DRINKING is declin- following controversy about

ing in popularity, according to some companies' accounting a survey by NOP Market practices.

Research. Red and white wine. The question the review panel however, is rapidly gaining in had to answer was how associpopularity and 58 per cent of the population now drink it.

particular whether a stake of 20 Sherry was at its peak in 1972 per cent or more by one comwhen 70 per cent of the population drank it, but the survey made one the associate of the pany in another automatically fround that the number of sherry other, and vice versa. The present area drinkers has droped to 59 per cent.

The panel has concluded in interim approval, or interim approval, o

Monkhouse alone denied four

other charges. These were that between December 1, 1966, and

July 12, 1977, he conspired together with others unknown

to defraud United Artists Cor-poration, 20th Century Fox, the

They were accused of conspiring together and with 1966, and July 12, 1977, he constantly unknown hetween spired with others unknown to 1976, to defraud Columbia

MR. BOB MONKHOUSE, the comedian, heard a harrister praise his services to happiness and humanity as he stood in hiring fees for 16 mm film Imported and to be imported from the Channel Islands.

is presumed to exist when one of the associate. company holds 20 per cent or more of another. The presumption is rebuttable, bowever,

cent there is a presumption of no associate relationship, which is also rebuttable. The degree of proof required to prove association would include an affirma- equity.

The present accounting stan-dard only includes the 20 per On the other hand in the case number of companies treat of holdings of less than 20 per smaller holdings as associates. One example is Midland Bank's holding in Standard Chartered Bank, which amounts to 16 per cent of the Standard Chartered

Plea toMinister over **Green Belt policy**

That between similar dates he conspired with others unknown to defraud 20th Century Fox and the Film Distributors 16mm Association of hiring fees in relation to mediteranean Cruise, The Culpepper Cattle Company and The Bride of Frankenstein, and films referred to in documents found in his possession on October 7,

Copyright

from them.

THE NATIONAL Housing and the Secretary of State for the decessor's policy on the Melro- justification. pobtao Green Belt which threatened to cut it by half. This policy was to remove re-

tion to The Three Musketeers, and that between the same dates

be conspired with others un-known to defraud United Artists

Corporation, the Film Distribu-tors 16mm Association and Ron

Scott alone denies conspiring

Services of hiring fees for fees in relation to the film Gold-Carmen Jones and The Day the Earth Stood Still.

Mr. Shore, when Secretary of Town Planning Council has State for the Environment, said asked Mr. Michael Heseltine, that classification of such land as Green Belt in structure aod Environment, to reverse his pre- local plans required special

The letter to Mr. Heseltine points out that his own consti-tuency borders on land in the strictions on development in most threatened category. The those parts of the Green Belt NHTPC wants a reversal of not formally approved. Much of policy to save the heritage of the present area has only the Green Belt, which it regards interim approval, or is operated by local government.

the Green Belt, which it regards it ion and the possibility of interim approval, or is operated by local government.

tion and the possibility of interim approval or is operated by local government.

hiring fees in relation to Medi-

Mr Michael Worsley, prosecuting said it was alleged that Mr Monkhouse and Mr Scott agreed to deal in films dishonestly in a

way which would expose to risk of loss and perhaps cause loss to the copyright bolders and people who held distribution rights

findings oo the professional cooduct, efficiency and competence of both members and firms in any circumstances which give rise to public

Other features of the procedure include lay representa-

Bob Monkhouse accused of films fraud plot MR. BOB MONKHOUSE, the Distributors 16 mm Association, Cinema Services of hiring fees in Artists Corporation, Walt Disney with Mr. Monkhouse, and they comedian, heard a harrister 20th Century Fox Film Co., relation to the film I Could Go Productions, Rank Film Services, would hear too about Mr. Monk-Productions, Rank Film Services, and other film distributors of house's collecting.

> "No doubt in many of the dealings and the collecting there was a lot of perfectly unobjectionable activity," be said.
> "It is only in a limited part of their activity that the prosecution make camplaint"

Turning to look at Mr. Monk-house, Mr. Worsley said: "It would be idle to say that no ooe in court does not know him. He has given happiness and enter tainment to millions of people for many years."

He said it was most unhappy that the comedian should now he in a court dock, but if there was a case to be considered others unknown between spired with others unknown to 1976, to defraud Columbia He said the jury would hear against him the jury would wish January 1, 1975, and October S. defraud United Arlists Corporation. Warner Distribution, 20th a lot about dealings by the two Mr. Monkhouse to be treated as Century Fox. Cinema Intermental men with each other and by Mr. Cycryong else. The case convariant Distribution, the Film Association and Ron Harris national Corporation UK, United Scott outside his connections tinues.

Beryl oil ITV wins big share of racing in £2m deal

EV UNDERTAKING to pay contracts for coverage at all involved, there was no question from over the next three years united Raccourses tracks. Independent Television has secured a major share of the Office of Fair Trading stepping in.

The deal in theory does not track tracks. It is the property of the office of Fair Trading stepping in.

Independent Television has secured a major share of Eritain's flat racing coverage. It has exclusive rights for Epsom. Sandown Park, Kempion Park.

The deal means that of the 12 Group One flat racing the 12 Group One fl



manager of Jackson's of Piccadilly, stands outside the shop which is to close next month. after 130 years.

The Queen's grocers closes on July 7 and its 68 staff will

lose their johs,

renewal of the building's lease at an inevilably higher rent, but the company is to conlinue its successful tea merchanting business.

NUS president moves in university row

MR. TREVOR PHILLIPS, president of the National Union of the other expelled student, were Students, is to intervene in the expelled after heiping to dis-As well as acting as a statutory register of engineers, the authority would also have a role in maintaining the loterest in the whole subject of engineering and maoufacturing in
some compaoies about their The Department of Energy is considering only one other possible field development plan. A group led by Amoco is seeking approval to develop the North is threateoing to brin; all teaching there to a half later this week. He is to visit the university today where a student in the whole subject of engineering and maoufacturing instudeots for disruptiog examina-

The NUS said yesterday that Mr. Phillips will meet union officials and Richard Flint, one

Mr. Flint and Shaun Fensom.

closure on rising prices and

Intend to attend today's sludent meeting despite the ban. The university says the two students were expelled because they violated the charter of the university.

of the expelled students, the university union president. Frozen food in schools

'more economical' FROZEN FOOD in hospitals and and Science said local authoripounds a year-partly by axing thousands of ancilliary workers' jobs, according to a research team at Leeds University.

disciplinary system for the pro-fession. Similar votes have Ross Foods is supplying factory pre-packed meals which, it claims, are cheaper than those prepared on the premises.

> At least three local authorities of the 104 social service departments now use frozen foods for their Meals on Wheels services and lunchhox clubs for the

Iderly. prepared
The Department of Education methods."

schools could save the Govern- ties were aware of the savings meot hundreds of millions of which can he made hy using frozen food, "but their adoption is entirely up to the local education authority." Each day more than 51m

children eat at chool. Each meal costs 53.5p. but only 17p is spent on food.

are experimenting with frozen need for fewer staff and their food and more than 70 per cent wages on ton wages on top.

A saving of unly 2p a meal, ay the team, would net more

than £225m a year with the The Leeds University research team has found "that

frozen convenience foods are as nurritional as school meals

Press Bill attacked

ALLEGED moves to gag South recognised by all MPs of what-Africa's Press were in London ever party who were concerned yesterday attacked by the Ioternational Press Institute. an organisation of about 2,000 leading editors and publishers

of responsible government and democratic accountability.
The passing of the Bill would mean the end of any kind of

The Institute said it hoped that the implications of the Advocate General Bill would be

Seventh Atlantic phone link

A NEW trans-Atlantic lelephone cable-the seventh-is to he laid in a joint operation hy the UK, U.S. and French telecommunications authorilles, and will cost £100m.

by 1983

The major British contrac-tor will be Standard Teletor will be Standard Telephone and Cable, the UK subsidiary of the U.S.-based International Telephone and Telegraph (1TT). It is thought that the U.S. contractor will be American Telephone and Telegraph (AT&T), while the Trench is likely to be CIT-Aleatel.

The new cable will carry 4,000 simultaneous calls, increasing trans-Atlantic capae.

creasing trans-Atlantic capaccity by about 50 per cenl. It ls due to come into service by

The cost is being borne equally by the North American and European sides. Britain has the largest share of the European side—22 per cent—and there are 16 other participants. There are seven North American parlicipants, of which AT&T is the largest

wilh 40 per cent.
Telephone traffic between
the UK and the U.S. has been growing at between 15 and 20 per cent throughout the 70s, making it the world's busiest transoceanic link. Some 20m calls are now made annually

hetween the two countries.

The early 1980s will also see the launching of a new Atlantic lelecommunications satellite, Intelsat V. with 12,000 telephone circuits. lbough not all of these will serve the North Atlantic.

Garages accused of hoarding

SOME PETROL station operators seemed prepared to ground tanks in the hope there would be another price rise next week, the London regional manager of the Swan National petrol station chain alleged vesterday.

Mr. Eric Smith also drew attention to differences between the 95.5p a gallon his company was charging for four-star and alleged practices by other operators in charging £I and

People who are selling it at £I or £I.05 a gallon are just cashing in on the panic they are creating," he said. Oo 95.5p there was about 3.8p profit. "Any increase above that goes straight into the garage owner's pocket and not to the oil company. There is a shortage of

petrol and we are all on allocalions, but by closing from, say, 11 pm until 6 am, we are making

Holidaymakers were warned yesterday by the English Tourist Board that impulse travel during lhe present during the present octrol stortage was imprudent and that they should not set out unless they were certain

Roman cage cup sold for £½m

A LATE Roman cage cup, or "detretum," sold for £520,000 at Sotheby's yesterday, easily bealing the previous auction record for an item of glass. £75,000 paid In October for an Italian goblet.

The cnp, dating from about 360 AD, is the only complete one leff in private hands. Just five others are known and they

A 10 per cent buyer's preminm must be pald on the hammer price, plns VAT of 0.8 per cent on the premlum. The buyer was Rohin Symes. a London dealer, presumbaly bidding for a client.

The dome shape; whitish glass cnp. 7; inches in diameter and 4 inches high, was the highlight of the first day of the sale of the collection of ancient glass assembled Andrew Constable-Maxwell,

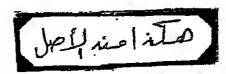
who is Scottish and lives in witzerland. It is thought to he the finest collection to he sold at auction for 50 years. and the first day total neared the £900,000 mark. Rohin Symes was an active buyer. He paid £35,000 for a

SALEROOM BY ANTONY THORNCROFT

Roman nlive green glass mould-hlown beaker of the first century AD and £13,000 for a pale green bemispherical bowl of the same period. Other high prices were the £14,000 for a Roman "gold hand glass alabastron of around the 1st century BC; £12,000 for a Roman blue glass ing of 1st century AD;

and £10,500 for a large green-mould-hlown head flask 2nd-3rd century AD. Christic's yesterday held its first sale in Scotland since it acquired the Glasgow saleroom of Edmiston's. It conroom of Edmiston's. It consisted of the Important collection of Scottish paintings, the property of the late Mrs. M. C. Wemyss Honcyman, and 16 of the 35 artists represented established new anction records. The total was £230,195 with all lots sold.

The top price, and twice the The top price, and twice the previous record, was the £13.500 for a still-life by Samuel Peploe paid by the Fine Art Society which also acquired "The last turning, Monialve" by James Paterson for £12.500 and "Harvest near Cowden" by William McTaggart for £11.000. Another McTaggart, of children in a hoat, fetched £10.000.



Sinclair Radionics near decision on Microvision future

NCLAIR RADIONICS, the invested some £4.5m in Sinclair, ambridgeshire-based electro- and last year saw losses of cs company in which the £1.96m on sales of £6.39m. ational Enterprise Board has majority share, is in the closimber of companies on the iture of its Microvision pocket levision production.

An announcement on the icrovision—the first miniature pocket " TV in the wnrld—ls Developed in about a week. Laat the National Enterprise eek, the National Enterprise pard announced that Sinelair id been split into two divisions-A 1 a consumer electronics (the licrovision) and industrial incruments, largely the multi-

It is expected that the Indus-ial instruments, with pocket ilculator production, will be on under the NEB's wing for e time being, while the Micro-asion production will either be pught out by an independent, that the NEB will form a int venture for the production Microvisions with a third

Fresh capital is now required to set up a new tube production ig stages of negotiations with a line for the oext model of the set. The company cannot afford the investment itself, while the NEB is clearly not prepared to pump more money into it.

> duced as an international model 18 months ago, largely in the U.S. Sales were lower than expected, and early this year, the company introduced a UKonly version, selling at under

Mr. Michael Pye, Sinclair's managing director, said yesterday that the company was " very pleased with the sales of the UK-only Microvision. The multimeter range, which

was successful at the low-price end of the market, bas been expanded. There are now four models available.

company virtually ceased production of ovisions with a third cheap, hand-held calculators, and is concentrating on the board has already scientific, programmable type.

Cost-cutting companies get secretaries warning

HIP ON BY COLLEEN TOOMEY

sts by asking executive to and 57 per cent say that part-are a secretary are often timers fulfilled the same work thing themselves in for a "tug-standards and were as reliable." 'll war" hetween colleagues, cording to a survey carried in in 86 London businesses.

The survey, carried out hy ... per cent of the companies terviewed employ part-time aff. Of the total, 40 per cent reed that executives preferred

would prefer their own ...rmanent part-time secretary sharing a full-time secretary th a colleague; 28 per cent sagreed and 32 per cent were

survey also showed iddle-aged secretaries were are accepted by the companies an young women; even penmers received a moderate ow of hands with 27 per cent those surveyed claiming they huld consider employing- a

"It was also agreed that

13 DMPANIES attempting to cut temporary staff in filling gaps

Shoe deliveries increase 5% By James McDonald

FOOTWEAR DELIVERIES in the first two months of this year, at 26.2m pairs, were 5 per cent more than in the same period of 1978, according to the British Foctwear Manufacturers Federation.

Employment in the manufacturing industry in February was stable, says the decration, with today."

overtime still well in excess of short-time working. Early returns show that the retail its latest economic munitor, the

Warning to Tories on oil price dangers

By David Freud

IT IS important that the Conservative Government avoids the dangers of combining restrictive monetary policy with a loss of control of fiscal policy in the wake of the oil price ncrease, according to London Business School Centre for Economic Forecasting.

In its latest economic nutlook the centre estimates that the adverse Impact of the current round of oil price increases is about a third of that in 1974. Of the reaction to the earlier

round the centre says that while in retrospect the squeeze on real money supply in 1974 and 1975 was too aavage, the real culprit was the threshold paymeots system and earlier monetary growth.

The lesson for the present is the danger of trying to prop up demand with extra purchasing power. while squeezing the monetary front — particularly when interest rates could already be rising due to infla-

Problems

The centre argues that the Government should continue to aim for a public sector borrowing requirement well below the levels that are likely on the basis of preaent policies.

"They should also avoid relying upon financial adjustments to do too much of the ob-this hears a weak resemhlance to the problem period in 1974 of constantly taking the required sum from the company sector."
The centre concludes that the

next 12 months could be difficult as the world works out the pressures from the new oil price shock. That is no reason to abandon the medium-term target of a reduction in both monetary growth and in the PSBR as a percentage of out-

put, it says.

"If this policy is now ahandoned the Inflationary ratchet will then have been hauled up another notch or two and the scale of the problem in 18 months time could look much more daunting than it does

trade was less huoyant in annual rate of retail price March. Inflation will rise from the It was also agreed that In the year to March, leather present 10.2 per cent to more transported than 15 per cent, 10.2 per cent to more than 14 per cent by the end of the year.

TEXAS INSTRUMENTS BIDS TO TAP CONSUMER MARKET

Now a talking home computer

BY MAX WILKINSON

ended more than a year's inten- on the screen could make the sive speculation with the machine a powerful tool. announcement of its plans to

products to a level attractive to consumers, and at the same time calculating bow technology will become marketable.

The recent history of the digintal watch are two examples. Texas has produced machines which will talk to young childreo with synethesised speech to help teach them to spell and from Apple of the U.S.

many other advanced products A machine which can plug into many other advanced products for the consumer and professional markets.

It is launching into the pernew micro-computer hased as simple as possible with its machines. However, the conmarket is still largely untapped.

Flexibility

husinessman, hobbyists, profesfull tilt at the consumer. Its new machine will be priced at prompted by the about £645 in the UK towards monitor or TV set." the end of the year, but is likely to he selling for considerably less than that in the larger U.S.

The machine, designated the ing programmes, U.S. football cost between £15 and £45 in the much mbre important.

The ability of a computer to talk obviously gives it greater flexibility for tasks in the home.

As a teaching aid for young

T1-99/4, announced in Dallas at which sold 50,000 of its PET the weekend will have program- bome computers worldwide last mes for home hudgeting, teach- year estimates that aales to and even physical fitness. But only a small fraction of the above all it will be able to talk total. Small businesses and the Pluz in programme modules will education world have been

In the professional sector, the Quite what people will do with PET is doing well with UK a talking computer in their home sales averaging about 1,000

TEXAS INSTRUMENTS, the children for example, the addi-\$3bn U.S. electronics group, bas tion of speech to colour graphics

Even for the more sophistimove into the market for home cated user the use of the spoken word can make a small computer. record in bringing down the use. It is a small step to proprice of new high technology gramme the home computer to respond to simple voice commands from the numer and to recognise a limited vocabulary including the numerals.

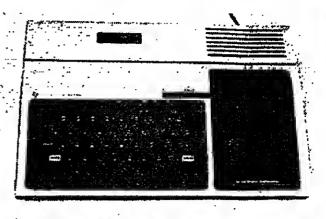
Programmes which will accomhand-held calculator and the plish this have been demnnstrated by International Tele-phone and Telegraph on the bome computer which it produces in Europe uoder licence

a television set, respond to an operator which is talking to it and answer hack, obviously has sonal computer market with the ability to break down the characteristic energy at a time nervousness with which most when most analysts are predicting a surge of demand for the has tried to make the operation

emphasises that its target is the unsophisticated Although users may not be familiar with computers or programming, the modules allow Most of the existing competi-tors in the personal computer market are serving the amali poses. To access a programme, sional engineers and the educa- all the user bas to do is plug in tional establishments. Texas, a particular command module appears, however, in be aiming and press a few keys on the console keyboard while be is system's

> If Texas succeeds in opening up a wide consumer market, it will be well ahead of its competitors.

Commodore, for example. ordinary consumers represent



The Texas Instruments TI-99/4 home computer measures only 15 lns hy 10 ins by 21 ins deep and plngs into a TV set. It is expected to sell for about £645 in the UK.

unils a month at prices ranging interest in television based from £500 for a basic computer information systems like the cated system with magnetic disc memories and a fast printer.

Complicated

The PET differs from most other personal computers on the market by having its owo built-in black and while telerision type screen. The Tl 99/4, the Apple, and the U.S.'s best selling home computer, the Tandy TRS 80, all plug into colour television sets.

Tandy is reported to have shipped 100,000 units in the U.S. last year, valued at £10am, or about a fifth of the tntal market. Apple is reported to have shipped about 20,000 unlis last year in the U.S., and Commodore shipped about 25,000 units in the U.S.

Dataquest, the U.S. analysts, estimate that the total market in 1980 will have reached more than \$1.2hn, of which about \$300m will be accounted for by consumer sales.

craze two years ago for tele-

information systems like the Post Office's Preslel make it difficult to predict exactly what will happen.

The general picture is complicated by the increasing similarity of desk lop computers designed for professional use with those aimed at a more general market.

Desk top machines from International Machines, Olivetti and Hewlett Packard, for example, are all based on the micro-processor or computer on a chip. Although they are more expensive than the home computers for general use considerable overlap can be

A home computer with a useful range of peripheral equipment is likely to cost at least £1,500. But costs are continually falling while the advance of technology opens the possibility of inherently cheaper types of memory and

expected in the next few years.

simpler printer units.

The key to selling the new machines to the consumer In Europe the market is market, however, will certainly expected 10 develop more be the development of a wide slowly. However, the sudden range of useful, entertaining and educational programnies. vision games and the growing That job has only just started.

Doxford to develop coal-fuelled engines

DOXFORD, the Sunderland marine engine company, plans to develop engines using coal products as fuel.

Preliminary talks have already heen held with the National Coal Board and a four-year programme of tests will start on a trials engine later this

Initially the trials will involve using low-grade oil fuels, but engineers are hopeful that eventually the engines will be able to burn coal in either slurry

or powder form.
The research into poorer fuels is an important part of the engines division of British Ship-builders, of which Doxford is

British Shipbuilders believe that after several troubled years, in which Doxford's share of the world slow-speed marine diesel market has slipped to about I per cent, the Wearside builder is ready to improve its

ln particular, British Shiphuilders is pushing hard Duxford's recently developed 588mm-bore, three cylinder engine, the 58JS3, which is designed to compete with t medium-speed diesels for use in .

smaller eargo ships. Doxford claims that the a8JS3 uses more than 55 per cent less fuel than a medium-speed engine of equivalent power and 62 per cent less than a comparable steam turbine design.

The question of future enginebuilding strategy and the problem of designing for lower grade fuels will be one of the hist on the desk of Mr. Leo Curran, who yesterday joined British Shipbuilders from Plessey

British Shiphuilders is putting fl.6m into the Doxford trials engine, which will be ready for

CONTRACTS AND TENDERS

accuse hoardi

Mouvement Populaire de la Révolution République du Zaire

Département des Transports et Communications Régie des voies maritimes

Avis d'appel d'offres international

La Régie des Voies Maritimes lance un appel d'offres international pour la fourniture de

ET LEURS DIVERS EQUIPEMENTS La participation est ouverte à toutes les entreprises de pays membres

DEUX OU TROIS CANOTS DE PILOTAGE

de la Banque Mondiale et de la Suisse. Les soumissionnaires peuvent retirer, moyennant paiement de la somme de 100,- zaïres, le dossier complet de l'appel d'offres

> BUREAU DE LA REGIE DES VOIES MARITIMES B.P. 13.999/KINSHASA 1 - Zaīre au coin des Avenues Kasai-Commerce

BUREAU DE BOMA

B.P. 91/Avenue Makuku nº 2 - BOMA (Bas-Zaïre) - Zaïre ou auprès de l'Ambassade du Zaire dans leur pays. Aux cent zaires peut se substituer un montant équivalent dans une des quinze devises librement convertibles admises au change par la Banque du Zaire

Les francs belge, C.F.A., français et suisse, les dollars nord-américain et canadien, les couronnes danoise, norvégienne et suédoise, la livre sterling, le mark ouest-allemand, la lire italienne, le florin néerlandais, le schilling autrichien et l'escudo portugais.

> Les offres cachetées doivent être envoyées à l'Administrateur Délégué Général à une des adresses susmentionnées

La date limite de réception des offres est fixée au 16 juillet 1979 à 10 heures (heure locale).

L'appel d'offres est international et les ambassades intéressées sont invitées à retirer le dossier d'appel d'offres à l'adresse indiquée L'ouverture des soumissions aura lieu à Kinshasa le 16 juillet 1979

PLANT AND

à 10 heures (heure locale) précises au Centre International du L'Administrateur Délégué Général BUKASA MAYÉLA ODIA

TRAVEL

MACHINERY

Commerce (C.C.I.Z.).

EXHIBITIONS

Family Railcard promotion

By Arthur Sandles

ahout £250,000 to promote its new Family Railcard which is to be launched on June 17. The card, costing £10 (£5 for one-parent families) gives spouse and child fares of 50p for each unlimited distance provided one full fare ticket is bought.

It is valid for an eight-month test period until February 28,

Railcard follows the of other schemes, the Senlor Citizens notably

British Rail admit they have no ldea of the likely response but they will review it at the end of the test period. The card can be used for any number of

Definition

As an example of the possible savings for a family of six (two adults four children) the normal fare from Guildford to Birmingham return would be £55.60, but with a Railcard is would be £16.40.

Among the problems faced hy British Rail in setting up the scheme was the definition of a family. In the end it settled on the solution that whoever regis-ters is cligible—two adults of the same sex are as valid as a Mr. and Ms.

West Midlands seeks 'a better deal'

By Our Midlands Correspondent

THE WEST MIDLANDS is looking to the Conservative Government for positive action to give the region "a better deal." Sir Robert Booth, the retiring president of the Birmingham Chamber of Commerce, said

yesterday.

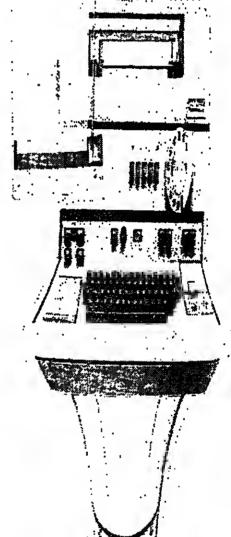
He welcomed the statement by the Tories that they would look at the real effects of the regional policy of successive governments. The Birmingham Chamber has argued con-sistently that the city has lost its growth industries to ine assisted areas.

Regenerate

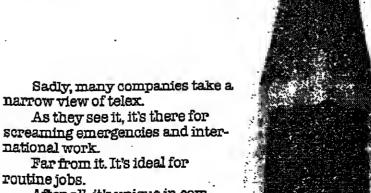
Sir Rohert supported the Government's aim of restraining public spending. Bu: stressed the need to fund suc-cessful projects such as the programme to regenerate Birmingham's inner city.

Continued backing for the investment programme of BL formerly British Leyland was also important because of the thousands of dependent jobs within the West Midlands, he maintained.

Sir Robert was speaking at the chamber's annual meeting which elected Mr. Joseph Brown, the former chairman and managing director of the Birmingham Post and Mail as its president.



Is this how you view your telex machine?

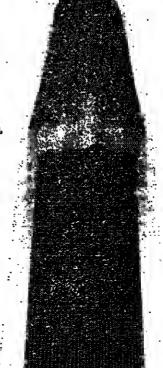


routine jobs. After all, it's unique in combining the authority of the letter

with the speed of the phone. If you need a written answer quickly, send a telex. If you want to be sure your

message has arrived, send a telex. If you want to impress your customers with your efficiency, send a telex.

If you have a pile-up of work, send a telex.



Committee Sales

If you fear you might miss the post, send a telex.

If you want to be brief yet not discourteous, send a telex.

That's the broad picture of what telex can do for you. So remember to make the most



● NEWS ANALYSIS—THE RISING PRICE OF STEEL

BSC's battle with spiralling losses

September to set new minimum

much more expensive between British Steel's decision to raise the prices of its flat products and sections by between 5 per cent and 15 per cent from the heginning of July is not so much a contrived marketing ploy as an admission that prices are unrealistically low.

Shortly the corporation has to make the unpalatable announcement that it lost in the region of £350m during the trading year 1978-79. That loss follows losses of £443m in 1977-78, £95m in 1976-77. and £225m in 1975-76.

The last general European price increase, arranged in July, 1978, by Lord Etienne Davignon, the European Indus-try Commissioner, did not enable Brilish Steel to catch up with the increased costs it was having to hear at that time.

forced upon the corporation to avoid heing caught up in spiralling losses. But the extra spiralling losses. But the extra eering profits. But even they money will not be enough to put the husiness back into prices shortly. profit. Indeed it will not even

Brilish Steel has experienced in recent months. In round figures British Steel can expect to increase its sales revenue by £100m in a full year if it maintains its business at current levels at the higher

Shortfall

But the increased costs the corporation is having to bear since the last price increases amount to at least £200m a year. The corporation's amhition is to make up that shortfall by getting more work out of its new plants now coming on stream, white saving money clsewhere by closing older

Steelmakers in France and Italy have decided in recent weeks that higher prices are the only way out of their growing financial difficulties. British Steel is now joining that club. The West German steelmakers Since then demand for steel are cushioned to some extent has remained depressed. The new round of increases has been their integraled steet and engineering companies can off-set steelmaking losses by engin-

Lord Davignon is expected to

prices for the member nations of the Community. Whether or not the increases will be applied on top of the recent Continental increases and the new British increases will depend upon the state of the market and the degree of confidence of the steel salesmen that they can make another round of price

But no one can seriously challenge the steelmakers case that they need the money. In Britain, for instance, the price of scrap steel has risen by nearly 50 per cent in the past year, while coal and iron ore prices have risen by approximately 10 per cent, oil prices are continuing to rise at a fast and unpredictable rate, and some rare metal additives have increased in price by up to 300 per cent within the past fcw

British Steel's new increases will affect about 25 per cent of its total home market volume business. Hot rolled sheet in coil and

lengths will he raised in price by £6 a tonne with increases in charges for what the trade calls "extras"—special finishcover the rising costs of introduce a general round of calls "extras"—special finish-materials and lahour that steel price rises in August or ing and the like. Most customers

will find themselves paying about 3.5 per cent more from

Cold reduced sheet steel will he increased in price by £9.50 a tonne representing an overall average increase of 4.5 per cont. that dipped and electro-coated) are to go up in price by between £9.50 and £14 a tonne representing increases of between 4 per cent and 7 per cent. Lead coated sheet steel

is tu he increased by £20 a tonne

-a 7 per cent rise. British Steet has a winner with its new paint and plastics coatings plant at Shotton, North Wales, judging by the rising £21,000 a demand for these products in recent weeks as the plant has huilt up production. It is now working flat-out. Perhaps noting the huoyancy of this special corner of the market British Steel is raising its organic coated sheet prices by

The remaining flat product affected by the increases is electric steel—used for the manufacture of electric motors and imports have about 19 per and transformers—which is to be increased by up to 9 per cent. The corporation is now be increased by up to 9 per cent. Sampling that its revised price The corporation is expected to bring out a new price structure

between 10 per cent and 15 per

in another sector of the market, neavy sections, British Steel will be applying price

steet will be applying price rises of up to 10 per cent. Surcharges are being intro-duced from July t on alloy and stainless steel ingots, alloy plate, stainless steel sheet and plate, and some other special steels products to cover hig increases in the prices of molybdenum and nickel.

The price of molyhdenum has soared from £6,000 a tonne to £21,000 a tonne ouring the past six months. Meanwhile, nickel prices have risen by a less dramatic but nonetheless significant of per cent.

British Steel has recovered about 2 per cent of the British market share from imported steels during the past few months and it is now reckoned to hold about 55 per cent of the

The private sector steel-makers have about 26 per cent lists are not pitched so high that a new wave of imports will he for narrow strip steel within the sucked in.

TGWU rejects last wage offer to building workers

BY ALAN PIKE, LABOUR CORRESPONDENT

TRANSPORT and General Workers Union delegates yester-

The largest huilding union, the Union of Construction, Allied Trades and Technicians, has indicated that it is willing to accept the proposals. But yesterday's Ti-WU decision casts doubt over whether it will be possible to reach a settlement by the time the current agreement expires on June 25.

Building employers, with their need to tender well in advance, are now becoming anxious for firm indication of what their lahour costs will be during the

BY PHILIP BASSETT, LABOUR STAFF

TALKS SET for today between

ground workers to discuss pay

The NUR has instructed its

15.000 Tuhe members to begin

indefinite strike action from

June 18 over pay, Pay was on the agenda for the

routine meeting of London Transport's joint negotiating committee, hut Mr. Charlie

the London Transport Executive

had made clear that It was not

in a position to discuss wages

further after the unions rejected

a pay offer last week worth 10,3

was no point in going along there if we were not going to

Officials of the NUR, the train drivers union ASLEF and

the white-collar Transport Sal-

discuss pay."

"We took the view that there

NUR orders Tube

strike, blocks talks

London Transport and unions sed yesterday the NUR threat of

representing 23,000 Under a strike from June 18, which

were called off yesterday by the National Union of Railwaymen. Underground services, but post-poned a decision on taking part

Turnock, assistant general 11 and 16.2 per cent, and for secretary of the NUR, said that other improvements. Union

recommendation to accept from Mr. George Henderson, the day rejected a final pay offer union's national secretary for made by building trades building and construction. made by building trades employers to 700,000 workers in the industry.

building and construction. Failure of union negotiators to achieve full consolidation of supplements and binuses worth more than £15 per week appears to have been the main ground for the rejection.

Strike threat

There will now be meetings of TGWU building industry memsider the consequences of rejecting the offer. Mr. Henderson warned that industrial action must now be considered a real possibility.

He said that he had recom-

coming year.

TGWU delegates rejected the interests of avoiding disruption offer by a 2-1 vote in spite of a in the industry, to accept the mended his members, in the

The ASLEF executive discus-

would he chough to halt all

poned a decision on taking part

ASLEF action is more likely

to take the form of selective

strikes than an all-out stoppage.

The TSSA executive will cun-

sider its position on Friday.
The three unions are pressing

for basic rate increases between

officials estimate that the over-all size of the claim is about

The rejected pay offer would have given basic rate rises of 8.46 to 13.24 per cent, with an

arerage 9.8 per cent increase in the London weighting allow-ance, and other improvements

such as extra holidays for wages grade staff and improved dif-ferentials for supervisors and

It would bave ailded £7,22m

to London Transport's £70m

wage bill for Tube workers.

17-20 per cent.

booking clerks.

until after today's meeting.

offer. The delegates, however, had decided that it's would equally damage the interests of the industry to endorse pro-posals which they regarded as unsatisfactory.

The offer would increase guaranteed minimum carning; of craftsmen from £60 20 to £67 per week and of labourers from £52 to £57.20.

The industry's national joint cannell was this to meet no Thursday but in view of yesten day's decision it is uncertain whether this inceting will now take place. However, ULATT, the TGWU and the other twn unions involved—the tieneral and Municipal and the Furniture. Timber and Alliest Trades Union—may take the appur-

Tories stick

'Crown Agents insider deal' denial

MR. ALAN CHALLIS, former finance director of the Crown Agents, denied yesterday that he had been involved in "insider dealing" when he subscribed for 250 shures with money borrowed from Sassoons, the issuing bank concerned in the public

flotation of Gramco Management. Mr. Challis, who resigned his appointment in 1973, was giving evidence to the London tribunal investigating the Agents £200m losses after their 1967-74 activities in secondary banking and property.

Assigned shares

He said that of the 1m shares to he issued 100,000 were. assigned to Sassoons for allocation to clients, shareholders and employees at U.S.\$10 a share.

At the time, 1969, he was a director of Sassoons, sitting on the hoard as a representative of the Crown Agents. This was the Sassoons was involved since the

Agents became shareholders. Exchange, with a view to profit, He thought this a point of importance, and that it was normal is not available to the public." practice for the directora of an

Mr. Challis said he had no reason to doubt in the least degree that this was both customary and proper from the standpoint of commercial ethics.

want them long-term. Later he gave instructions for the shares to be sold, and profited by "some hundreds of pounds."

The Crown Agents partici-pated in the issue, so the shares taken up by the directors individually were not at the expense of shares which would otherwisc be taken up by the Agents, sald was nothing unethical about it. be taken up by the Agents, sald

Crown Agents became a shareholder in it.

The managing director of Sassooos had said that the directors ought to support the issue by taking up shares in their individual capacity. The managing the considered this transport the individual capacity. The considered the circumstances assurce of private profit.

Challis said they thought they could not in the early days acted in breach of this printed in the considered this transport that I could not in the early days acted in breach of this printed in the considered this transport that I could not in the early days acted in breach of this printed in the considered this transport that I could not in the early days acted in breach of this printed in the considered this transport that I could not in the early days acted in breach of this printed in the considered that I could not in the early days acted in breach of this printed in the considered that I could not in the early days acted in breach of this printed in the could not in the early days acted in breach of this printed in the considered that I could not in the early days acted in breach of this printed in the considered this transport that I could not in the carry days acted in breach of this printed in the could not in the carry days acted in breach of this printed in the could not in the could not in the could not in the carry days acted in breach of this printed in the could not in the

This was not the case in the Gramco issue. His knowledge of issuing house to do so. the issue was no more than what was contained in the public prospectus.

It was not the case that he was certain to make a profit He made it clear at Sassoons from the investment, and still that he would hold the shares less that any profit would derive he bought until the market from special or privileged infor-steadled, but that he did not mation. Mr. Challis said he under-

stood from the Fay Report that the Ministry had received advice that, contrary to what he was told, it was unusual for directors of an issuing house to participate personally in an issue; hut the Ministry was

In the report there was Subsequently the Fay Commit-tee, appointed by the Minister the context of the principle that of Overseas Development to public office must not be the inquire into the circumstances source of private profit.

first Issue since the Crown Improperly dealing on the Stock over to the Crown Agents. He

observed this principle without

All his directors' fees and other emoluments were paid to the Agents whilst he was with them. He never obtained any private profit whatever.

In subscribing for the Gramco shares he did not see that the Crown Agents were deprived of reward due to the office of director of Sassoons, nor that there was exploitation of the office with a view to private

" I took the risk of the investment personally. As It turned out I made a profit. On the other hand if the Gramco issue had gone wrong a month or two earlier than it did, then I would bave made a loss."

Australia move

On the Agents' Australian property development ventures. In which according to the Fay Report they lost £33m. Mr. Challis said they thought they could not in the early days

Tribunal continues today.

Church arson risk growing, report says

ARSON HAS joined theft and vandalism among the main threats to church property. according to Mr. Allan Crant. chairman of the Ecclesiastical Insurance Office, the leading insurer of churches in the UK.

In his statement accompanying the company's report and accounts for the year ended February 28, 1979, he described the apparently systematic set-ting of fires in three churches in one area of south-west London over oine days. Two of the churches had been

arid Staffs' Association meet today to consider the unions' seriously damaged; but when the danger to several other churches was realised the company had contacted every parish in the area at risk. There bad heen no more outhreaks.

parishes, Mr. Grant said. It would concentrate on the

need for commonsense precautions rather than expensive preventative measures. Churchmen wanting more detailed advice could call on

the company's surveyors who were constantly at the service The booklet would be similar to one issued by Eccleslastical

on theft prevention, which had been favourably received. Mr. Grant reported that theft and vandalism claims, although still unacceptably high, had declined in number and value last year. Many parishes bad responded to the company's security cam-Claims arising from the

severe winter in January and Fehruary had cost the company Underwriting figures Page 23

Ulster to

sell 189,000

council homes

By Our Belfast Correspondent

Environment in Ulster, said sales should start as soon as possible in line with Govern-

Discounts of up to 50 per

cent for long-term tenants will

be given. The executive may also provide mortgages of up

to 100 per cent of the purchase

price to those unable to arrange

them from building accieties.

The Northern Ireland Department of the Environment is to

discuss details of the new move with the executive very shortly.

Certain types of housing are likely to be excluded from the sales offer, particularly sheltered housing or homes built or converted for the disabled.

NatWest's gift

THE NATIONAL Westminster

Bank bas given a former area office, built about 1543 and

forming part of Lincoln's his-

torical heritage, to Lincoln Cathedral,

The keys to the Tudor huild-

ing were handed to the Dean of Lincoln, the Very Rev. Oliver

Fiennes, by Mr. Tom Boardman, chairman of the bank's eastern region hoard. The cathedral is

expected to use the offices for

administration.

to cathedral

ment policy.

Union calls for aggressive policy from Post Office issue by taking up shares in their individual capacity, to show confidence in the issue hy personal subscription, and in particular hecause this was the first issue eigher the confidence the was the first issue eigher the confidence in the issue hy particular hecause this was the first issue eigher the confidence in the issue hy particular hecause this was the first issue eigher the confidence in the issue hy particular hecause this was the confidence in the issue hy particular hecause this was the first eigher the confidence in the issue hy understanding of insider or rewards accruing to any the Crown Agents were unlikely offsetting the cost. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer losses from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer loss from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be ready to suffer loss from it. The growing risk bad encouraged the company to prepare a booklet on fire prevention for churches. It would be

retary of the Post Office Engineering Union said at the union's conference in Blackpool yester-day. New New New York State of the Changes in productivity benefits including higher new York New York State of the Changes in productivity benefits including higher new York New York State of the Changes in productivity benefits including higher new York State of the Post Office Engineering in the Changes in the C day. New services, including 35-hour week, longer leave and electronic mall, data transmis- early retirement. sion and processing will be introduced.

Slow, out-dated and faultprone electromechanical equip-ment will be replaced with a network providing high-speed digital switching and transmis-

Mr. Webb, in a debate on modernisation plans, said the hest defence of the Post Office monopoly was to provide the customer with what he wanted at a price he was prepared to He catled on the Post Office to adopt a more aggressive and positive policy in developing new equipment, mar-

ceting and supply. The union, with a membership of I20,000. has reached a provisional job security agreement Delegates approved the draft

programme after Mr. Bryan Stanley, general secretary, said: "If you want the best job security agreement that any trade union ever negotiated, this is it - grab it with both hands,"

But they rejected a crucial ause by which the noredundancy agreement would not be effective in the event of "causes outside the concern of the Post Office." This was Interpreted hy some delegates as possible Government intervention, such as hiving off the telecommuoications business.

The agreement must now go hack to the Post Office for further discussion and ratifica-

to shipyard redundancy pay plans By lan Hargreaves. THE GOVERNMENT is to In-

crease payments available to redundant shipyard workers in line with Labour plans announced just before the election. Mr. Adam Butler, Industry Minister, announced yesterday-that the scheme would be extended for two years from the end of this month.

The upper limit on carnings used in calculating payments is being raised front £100 per weck to £110 per week to keep it in line with general redun-dancy payment provision of the Employment Protection (Consolidation) Act of last year,

There had been fears inside the industry that the Conserrative Government would cut the redundancy payments scheme, but the payments are clearly regarded as essential to any future plans to reduce the industry's workforce.

Mr. Butler is sludying Brilish Shipbuilders' corporate plan, which calls for a 12,500 reduction in the workforce over three

Payments of £6m have been giren under the scheme smee It began two years ago.

nurses' pay

ment Officers Association (NALGO) representatives are to ask Mr. Patrick Jenkins, Social Services Secretary, to continue the weekly payment on account made to nurses and midwives until the Comparability Commission's report is published.

The payment is duc to stop at the end of July when the report on the wages of the group was to have been ready. The commission now says that it will not he able to report on Angust 1 as was originally intended.

The Nurses and Midwives Gouncil of the Whitley Gouncil for Health Service Staff is seeking an urgent reply from the Minister who has been asked to respond by June 8. NALGO's annual meeting of health service staffs will consider the position next Monday.

Pilkington move backed " The company's response was

SHOP STEWARDS at Pilking-

ton Class. St. Helens, Lancs., yesterday endorsed the decision THE NORTHERN IRELAND last week by union Housing Executive was told yesterday to offer all 189,000 negotiators to reject a pay offer to the company's 9,700 process public authority homes in the province for sale. Mr. Philip Goodhart, Minister for the workers of ahout 9 per cent on basic rates.
The stewards met Mr. David

Warhurton, national industrial officer for the chemicals industry of the Ceneral and Municipal Workers' Union, and urged the company to reconsider its offer. He said that the company bad failed to make a proper response to the union claim for a reduction in hours. We seek to relate the introduction of new technology to a cut in hours," he said.

to cut jobs by at least 1,300. The company must think again
—and quickly."
Mr. Peter Horam, secretary of the trade union side of the com-pany's negotiating council. said

that the company had to face up to its responsibilities and move towards a reduction in hours.
The rejected offer would have added £7.30 to the £63.52 hasic raic. The company is preparing to open a £70m float glass plant between 1980 and 1981, employ-ing about 400 workers. It is seeking closure at the same time of the old shect glass plant at St. Heleus, which employs about 700 workers.

to get us to sign a blank cheque

The men will return to work this morning.

Dublin ferry held in dock

THE MERSEY port was closed to shipping yesterday when 400 lock gate men_stopped_work over a pay offer from the harbour authority. Among 40 ships held was the

mid-day Duhlin-bound ferry with 350 passengers and 54 cars. The Northern Ircland car ferry was also held. The Leinster ferry - took stranded passengers and cars to Dublin yesterday evening.

Maids may halt antiques fair tant general secretary, said:

CHAMBERMAIDS' dispute at Park Lane's Grosvenor Hnuse Hntel in London, which threatens the antiques fair due to open there shortly, was made official yesterday by the Formiture, Timber and Allied Trades Union.
The dispute threatens the

£40m Antiques Fair npening in the hotel's Great Runm in a week's time. Men building display stands in the hotel are refusing to cross picket

The 28 chambermaids were dismissed on Friday after stopping work over the dis-missal of their shop steward. The hotel claims their strike accept dismissal. But Mr. Jim Kooyman, their union assis"That isn't true. The 15 or sn whn were living in accommodation at the hotel were given untices to move unt. "They accepted that—and £70 for loss of accommoda-

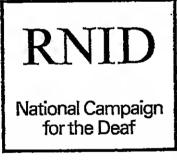
tinn. But they certainly were not satisfied with their dis-Dismissals

Mr. Kooyman welcomed the support of the exhibition workers. We don't like to involve other people, but we are hoping the hatel manager Mr. Roy Carroll will see

The botel said the dismissals had definitely been agreed nn hy the chamber-

maids and in the presence of a union representative. "Mr. Carroll had a meet-"Mr. Carroll had a meetlng with shop stewards of the
four nations representing the
staff of the botel—including
the Furnilare. Timber and
Allied Trades Uman which
also represents porters and
French polishers. And they all
said they supported the management in their action over
the chambernaids. "At the the chambermails. At the mament the build is ranning perfectly normally," the hotel's representative added-Mr. George Lvy, art and

antiques dealer and chairman nf the fair, sald "This is one ol the greatest enterprises in the aris calendar, and everything possible is heing done to see that It opens,"



The Royal National Institute for the Deaf. 'A wonderful source of new income for the development of vital projects for deaf people. Roger Sydenham, Director.



National Society for Mentally Handicapped Children. We are very pleased to have received over £1 million from Ladbrokes Cashcade Lotteries

in the last year." Sir David Renton, KBE QC, Chairman.



The Lord's Taverners/Eric Morecambe Appeal for Youth.

six buses for handicapped children, and there's more to come." Eric Morecambe, OBE, President.



Anchor Housing for the Elderly in Need. 'Cashcade has helped us build Day Centres Thanks to Cashcade we have already bought and Luncheon Clubs for the elderly and enter new fields of housing for their welfare.' Sir Leslie Kirkley, CBE, ACIS, Vige Chairman.

Ladbrokes Cashcade Lotteries have raised £7m to date for good causes. Help us make it £10m by Christmas.

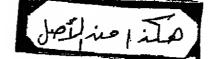
In the past year many different charities and good causes like those above have benefited from Ladbrokes Cashcade Instant Lotteries. So far, we have sold 75 million

tickets and raised over £7 million. Every ticket purchased makes a direct contribution to the charity or cause, whose name it bears. Cashcade Instant Lottery tickets are sold through thousands of local

retail outlets throughout the UK. Help us do even better and raise £10 million by Christmas. And, of course, while

you give to charity, you also give yourself the chance to win up to £1,000 - instantly. **Ladbrokes Cashcade**

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forms of fundamental frequency independent and each can

waveform

program step.

matic test equipments.

stripper

recently.

designed for plastics insulated flat cables and the other for the

wire bave heen introduced

The latter is called Abisofix

and is available from Cole

Equipment, Church Road, Croydon CR0 1SG 101-686 7ag11. It

a motor-driven chuck, the three

jaws of which are in fact three

knivea which close io around the wire by centrifugal force. The device is beld in one hand

and the wire end inserted and

pulled out of the chuck with the

length is 70 mm and there are

three versions to deal with gauges from 35 to up 8 SWG.

obtained from Eraser Inter-

national, 2 Hampton Court

wheels. A inch wide "window"

damage to the conductors.

of insulation is removed without

The other machine can be

Maximum stripping

Each analogue channel is

verify a different type of

Fluke says that programming

tolerance and determine if

there are any "don't care'

RESEARCH Sewer gas made fit to use

AN EXPERIMENTAL gas purification unit has been developed hy General Electric Company (U.S.) engineers to test the feasibility of converting sewage treatment plants and landfill sitea into important new sources

Experimental clean-up equipment, hased on semipermeable membranes, was designed to purify the methane gas produced by the natural decay of organic matter in sewage treatment plants, landfills, and even cow

manure digesters.
" Product " is 98 per cent-pure methane that could be added directly to natural gas pipe-linea, for bome and industrial

use. Contaminants to pass through.

Laboratory-scale gas purificaMore development work retion is under study at GE (USA) mains to be done to demonResearch and Development strate the technical and Centre, Schenectady, New York, economic feasibility of the membrane approach, which southern California Gas Comcould cost only one third to pany, Los Angeles, California. Installed at a large sewage posed purification systems, such greatment plant in Los Angeles, as molecular sieves, alkaline an experimental unit is capable scrubbers, or liquid absorbents.

treatment plant (or a landfill) contains about 60 per cent methane and 40 per cent carbon dioxide, with trace amounts of hydrogen sulpbide, water vapour, ammonia, and other contaminants. The challenge is to get rid of the carbon dioxide and other contaminanta at low cost..

feet of methane daily.

: Glean-up membranes selectively permeable to carbon dioxide. As the gas from the Los Angeles sewage treatment facility is streamed past, the membranes hold back the methane but allow most of the contaminants to pass through.

one-half as much as other pro-

121. Data Processing Speeds the microfilm

Wemake

our sacks for

people who

couldn't care less.

Any exporter knows that once his

"They are people who, more often than not just couldn't care less about sacks.

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Well, at Bowater, we've developed a range of sacks that are 'they' proof.

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attack them with hooks."

through with flying colours.

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shipment leaves for foreign shores it becomes the responsibility of they.

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Barche, Ital

Descript to

h 14 (1)

ARGEST of the four hanks to be the first purchaser of m-microfilm machine.

The machine takes output perating in Northern Ireland, directly from a computer and Vortbern Bank, has turned out turns it into signals that move a laser beam to produce alphaimmeric characters directly on he recently announced Kodak to a new type of dry film. Comstar 300 computer-output- Conventional photographic processing is eliminated.

e ELECTRONICS

Quick tests on circuit boards

to the Fluke International 3040A digital printed circuit hoard logic tester which will of purifying '1,000 standard cubic feet of methane per day. Later this year, under a followdigital converters to be tested on contract from the Southern

California Gas Company GE plans to build and install a "Complex waveform confor-mance" is the technique used, larger test unit capable of proallowing high sneed, real-time cessing 10,000 standard cubic parallel testing of up to 32 analogue channels and 208 Gas produced by anerobic digital input/output pins. This digestion processes at a aewage functions hy comparing a reference waveform with the signal from the unit under test using a comparator. The comparison tolerance can be programmed for either an absolute voltage or a percentage.

METALWORKING

Known as the NumeriPoint

M400 the unit is boused in a compact hox with front panel

that presents a cathode ray tube

display and the necessary data

Fixed cyclea are keyboard-selected, the system's basic 600

block memory offering recall of

up to 99 programs with provi-

sion for extension in 75 block

Increments to a maximum of

entry hutlons and controls.

productivity.

up to 100 kHz can be examined; inputs can he allow a variety of digital/ checked at rates ranging from analogue mixed boards such as one per second up to 5 MHz. If power supplies, instrumentation the signal from the unit under amplifiers and analogue-to- test is outside the programmed conformance, an error indicated. Both the digital and analogue

Sinusoidal or complex wave-

testing is performed in realtime-all signals are actively teated at the same time so that difficult system faults such as time and propagation delays, timing errors, etc., can be quickly and effectively discovered.

Complex waveforms such as those from disc servo drives, cardiac pacemakers and stepper motors drives up to ±50 volts 100 kHz can he examined.

PROCESSES Numerical control system New cable

FOR USE with their A-series production horizontal boring/ Facilities include four-axes positioning with simultaneous X and Y positioning in course milling machine, Giddings and or fine mode, 45 degree machin-ing, provision for dynamic im-perial/metric switching with no Lewis-Fraser bas introduced a microprocessor based numerical control system that should prove useful in small batcb and data loss and a facility that other applications where full numerical tape control is not allows feed to be beld and the cycle re-started without loss of justified but where part program storage can contribute to

The pendant mounted unit has a crt display which shows in a simple standard format the active and buffer information, part program storage and test mode data, as needed. Included are actual command, and offset dimensions for each axis, feeds and speeds, and indication of common faults by a simple

More from the company at Arbroath; Scotland (0241

Fast bending machine

A COMPUTERISED unit for the tion of Carlshad, California, the manufacture of exhaust pipes from steel strip in one continuous operation is sbortly to be introduced into one of the TI Group's exhaust and silencer manufacturing plants.

It will be installed later this year in a £500,000 development at the TI Manituhe Silencers plant at Cheadle, near Stoke-on-Frent and will enable the company to produce, from stee! strip, a continuous loop of steel tubing which is fed through a high-speed bending unit, the completed part heing cut off after all the bending operations have heen carried out.

Manufactured and developed hy the Eaton-Leonard Corpora- the end of this year.

new equipment will be capable of producing exhaust pipes at the rate of 30 ft per minute or 1,500 bends an hour.

For the first time in the tube hending industry, claims the company, the new Vector Pipeline machine will have the ability automatically to form, weld and hend different tube configurations without any change in physical set-up and without any delay in the macbine sequence. Up to 50 different parts can be produced consecutively or in small quantities with the same

efficiency as large hatches. TI Silencers has ordered a second pipeline, for delivery at

• INSTRUMENTS

Indicates the level

ULTRASONICS HAVE heen signal and a digital range gate combined with the silicon chip in a level measuring device, the sing window around the echo.

Milltrönics MidRanger, which in only valid echoes are proa number of respects can think for itself.

Further security is afforded

ment overcomes some of the problems associated with echo return measurements and eliminates the need for manual "tuning" of the system to meet pany's transducers a level varying conditions by comparing the incoming echo to a 1 per- cent can he huilt, factory set reference, adjusting operating at ranges up to 15 the gain as often as five times each second, it can he used for environments. detecting the levels of liquids, slurries, powders or pellets in

storage containers. The problem of spurious rewhich places a narrow "view-

Available from Hymatic In-dustrial Controls. Orchard event of an echo being lost the Street, Redditch, Worcs. B98 memory maintains the output TDP (0527 678411, the Instru-at the last valid level for an adjustable period of up to seven minutes hefore reverting to a fail-safe high or low condition. In conjunction with the commetres, even in high dust

MidRanger is fitted with a 31 digit liquid crystal display which is easily adjustable to read directly in any engineer-ing units and which has process turns bas also heen tackled: ing units and which bas process the unit uses both statistical outputs of 4 to 20 or zero to analysis to verify the return one milliamps.

On-line analysis of gases

hy a new mass spectrometer continuous monitoring ability. Introduced by Scientific Products, Eastheath Avenue, Wokingham, Berkshire, RG11

2PW (0734) 787348. ducts, Eastheath Avenue, Wokingbam, Berkshire, RG11 2PW (0734) 787348.

ON-LINE qualitative and quantitative analysis of the gases evolved in the process of coal instrument bas fast response time. excellent sensitivity and continuous monitoring ability.

Easy to use, it has been designed to tolerate the barsh en-vironmental conditions typically encountered in petrochemical plants. Standard equipment in-cludea a scanner module cap-able of generating data over the entire mass range. In addition. a programmable six-gas mooitor (expandable by multiples of six gases) enables the instrument to display the relative abundance of any number of gases in less than one second.

port1.
The engine, which has a hore of 275 mm and stroke of 305 mm is to he huilt in units of 6 and 8 cylinders in line and 12 and 16 cylinders in a vee configuration. Main roles for these engines will be in single and multi-engined marine propul-sion systems, in power genera-tion and in auxiliary duties as in pump and compressor drives. The order from Ailsa Shiphuilding calls for two propul-

sion engines for a dredge heing constructed for Civil and Marine and they will drive twin controllable pitch propellers through plain reduction gears. A 1300 kW de generator will be driven from the forward end of each engine to supply power for the dredge pumps.

COMMUNICATIONS

Deciding on Viewdata

MORE AND more organisations are finding themselves faced the major companies whn have

is quick—the only effort needed is to programme the comparator conditions, in which case a channel may be masked (not examined at a particular

The company also claims that test programs can be written staff includes Barry Standring, tape recorders? for hybrid PCBs in "only a Who was commercial manager fraction" of the time required of Viewdata/Teletext for Rank hy conventional hybrid auto-Radio International; Malcolm Smith, formerly marketing manager for the Post Office's Further details from Fluke International Corporation, Colonial Way, Watford, Herts WD2 4TT (Watford 40511). Prestel service: Alan Dempster, who was one of the Post Office's Warking Party on transferable programmes on Prestel; and Mary Young, who has pioneered Viewdata editing for a number of industrial and commercial

Not only is Viewdata a new technique, but the options for choice are expanding rapidly. The interrogation method, of CABLE stripping devices, one homing in on the type of data required by the use of a simple hand control of 10 or 11 buttons. removal of enamel from copper is opening up new vistas of data access for many more technical, commercial and marketing executives who have no special computer knuwledge.

with decision-making on the recently introduced private in-use of Viewdata systems but house Viewdata systems to the have realised that they lack general industrial and commerthe necessary experience and cial market. Questions facing the new potential users are: Viewdata is an new that very should one use Prestel, or a few experts are available to private system or a mixture of advise on it. For this reason, both? What are the commera group of people who have cial and economic ramifications? been closely associated with What will the system cost to growth of this novel method of install and run? What mix will communication has set up a he needed of TV terminals, Vicwdata consultancy aervice. computer video displays, tele-The service is Intext. Its writers, hard-copy printers and

GEC and Philips are two of

The type of software to be adopted and the question of ounicomputers or to link into the company's central processing unit for its own database are problems that also have to be takeo into account.

Intext has been set up to provide answers to these questions and one of its first activities is to be a onc-day seminar oo the subject of "Inbouse Viewdata Systems" to be held at the Carlton Tower Hotel in London on June 15. The speakers will include specialists on Viewdata from GEC and Philips, in addition to the Intext staff.

Details of the Intext Viewdala service and on the seminar are available from Communications Intext, 351, Oxford Strect, London W1, (01-499 6427).

will remove the insulation from enamelled, silk or glass-fibre covered wire and is essentially **© COMPONENTS**

Cable joints approved

approved by the National Coal

Board.
The development in cable research by BICC's Jointing Systems Division. Prescot. Merseyside, who designed the new range to work in extremely

bostile environments, catering for cables up to 11 kV. These "Bicast" multipur-Parade, East Molesey, Surrey KTS 9HB (01-979 8141) and is the Rush D109 in an improved pose straight joints bave compression connectors and are ideal for use in limited space hench-mounted version, designed to remove thermoplastic insulation from multias encountered down mine conductor flat cable by means tunnels, while other straight of the heat generated by a pair hranch and service joints bave of contra-rotating fibre glass mechanical connectors.

The excellent electrical and mechanical properties of the Merseyside, L34 5SZ. (051 426

developed for the mining quick to mix (two minutes) and industry by BICC have heen easy to pour, making installation quicker and simple, Furthermore, its moisture tolerances makes it able to stand experienced in mines.

> The resin's improved oxygen index makes the joint selfextinguishing—an extra safety feature in fire hazard situations.

The new range incorporates a metallic interphase shield for screened cables at 3,3 kV and 6.6 kV giving protection against phase-to-phase faults within the joint. This feature minimises taping and ensures quicker and easlerf installation. BICC is at P.O.B.1. Prescot,

 Wang is now recognised as: the second largest supplie: of small business computers. in Morth America and the largest worldwide supplies of screen based word pro-

cessing systems. It is doing very well in

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MCIZIVALAT 6 Two-valve

IN THE latest solid-state band one and three TV transmitters from RCA only two valves erg used throughout, one vision and one sound.

Elimination of valy amplifier stages, with all circuitry solid state up to the 1600-watt visual and 100-way; aural driver output levels means that the need for attention and maintenance is minimised. In addition, broadband techniques used in the new transmitter eliminate all turing requirements except for the final amplifier.

new transmitter operate on worldwide colour bruadeast standards, including NTSC, SECAM, PAL-B and PAL-M, meeting requirementfor essentially all bandwidths

and channel assignments. For all requirements a universal crystal oscillator combined with a unique frequency synthesiser circuit accom-modales any channel or frequency offset. Both sound and vision frequencies are controlled by the same crystal.

Personnel safety features have been designed in: a key operated interlock system ensures that all high voltage has heen eliminated before gaining access to valves and cavilies.

There are 20 transmitters in this new range, designated TTG, designed to operate up to power levels 20 per cent greater than previous designs. A single Band I or Band III transmitter is rated up to 30-kilowafts vision, and 6.6-kw socord, but they can be paralleled for greater power.
More from RCA, Commercial

Communications S Cherry Hill Offices, Camden, N.J. 08101, U.S.

LINK HOUSE COMMUNICA FOR PRESTEI SERVICES

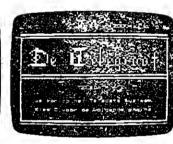


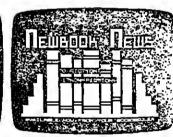




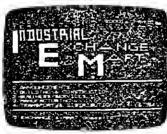


















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THE JOBS COLUMN

The wasteful nature of 'natural wastage'

BY MICHAEL DIXON

fouling up the public services, attempt the necessary calculait's nothing less than a lunatic tishame." The speaker was a careers officer concerned with the UK education system who, like most of his kind, is conteinplating bleakly the probable effects of the Cabinet's squeeze and our clients."

"We knew that cuts had been announced in Parliament," said another careers adviser. "But we're only just starting to wake up to what they mean for us and our clients." on employment in local and central government.

and 3 per cent in the Civil well have been wiped out by the Service, should be brought Government's decision.

about largely by "natural True, some of the openings wastage." Darwin, however, may reappear after the end of would hardly have approved of the summer when the three-

The lunacy of this process is that the factors on which it mainly relies-age and family demands—are poor discriminators between productive and moderated in two ways. Departcounter productive workers. mental Ministers are allowed to The shame is that the concomit approve on a case-by-case basis ant virtual halt to recruitment the engagement of urgently

extent to which the squeeze will already offered posts subject to reduce the demand for young the passing of examinations, people in the principal, summer medical checks, and such like people in the principal, summer medical checks, and such like, example. About 24,000 are recruiting season. Indeed, will be taken on in the normal likely to be hunting classroom at the end of the year. Dissovered of the various officials way.

There is nevertheless little training of whom some 83 per posts is extremely unlikely. But demand of the formulations, is expected to the strike is proposely a greater number of recommend for schoolteachers markedly last year, and a older people who are no more markedly last year, and a older people who are no more for at the end of the year. Dissourced with the employment of pupils and students leaving comfort for the majority of cent had been officially exercial to the forecasts of "a very bealthy pension," if not actually hamper-posts is extremely unlikely. But demand of the principal, summer medical checks, and such like, example. About 24,000 are recommend for schoolteachers markedly last year, and a older people who are no more for at the end of the year. Dissource at the end of the year. The year, and a proposition of the year. Dissource at the end of the year. Dis

What they will eventually least 15,000. awaken to is that, of the jobs The 5 per He was describing in particular the decision that the planned reductions of S per cent in local authorities' workforces awaken to is that, or the Jobs which only a fortnight ago the advisers thought were in immediate prospect for youngsters, 45,000 or more may

that name for the process, which month ban on recruitment into might fairly be typified as survival of the unionised.

month ban on recruitment into the Civil Service, particularly, is due to be reviewed.

Exceptions

Meanwhile the ban is being prevents keen and capable required staff, probably includ-youngsters from getting a job. ing accountants and computer Nobody can yet be sure of the sophisticates. In addition, people

"WHEN YOU think of all the educational establishments, are the approaching 800,000 people pected to obtain teaching jobs fall victim, this summer's newly which were made by their incompetent staff who must be apparently still too stunned to scheduled to leave full-time with local education authorities, qualified teachers' chances of careers advisers four and a half sducation during the next couple of months to compete **Bducation** for jobs on the UK market. At best the ban is expected to remove 12,000 of the posts which central government had previously planned to fill. At worst, the figure could be at

> The 5 per cent cut ordained for employment in the com-bined local authorities implies a total loss of about 133,000 jobs. If this saving were achieved by a general ban on recruiting evenly applied over the coming year, some 33,000 forms and the coming year. rewer posts would be available for people entering the market in the next quarter. But giveo the long-standing propensity for heavy recruitment during the summer, the dron in the share summer, the drop in the sbortterm supply could easily be

So, at a stroke, the pupils and students seeking jobs in Britain would appear to have suffered an overall decline of since t nearly 6 per cent in their

prospects bave undoubtedly worsened by a greater amount, Take schoolteachers for

But that expectation relied much on the previous Government's special concern to keep down from 83 to 69 per cent. up teacher-recruitment. With And noubtless, the prospects the number of pupils falling in train of the reduced birth-tate. the local education authorities which are the direct employers of teachers could generally cut their intakes of new school staff witbout increasing the notional size of classes. Anxious to prevent egregious joblessness among newly qualified teachers, the Labour Government included in the "rate support

That surplus will now seem a tempting target, especially since the new Government bas studiously avoided guaranteechances of finding one. ing extra rate support grant to
For some, bowever, the subsidise the cost of local rate payers of the additional rises which the Pay Comparability Commission is expected to

to employ this autumn roughly 14,000 school staff over and above those needed to keep

steady the ratio of teachers to

obtaining the work for which months ago. they have trained would go In the eve who are without degrees, than for the third who are graduates.

A change

Other kinds of graduates entering the employment mar-ket directly after gaining their cent. look liable to be less favoured. Indeed, it appears that for a chaoge the general outlook this summer might be less oad for non-graduates leaving education than for the products of universities and polytechnics.

It is the private sector which accounts for the bulk of recruit- memory. ment of graduates, and demand ov business and other industrial organisations is thought to have risen at a greater rate this year than has the number of degreewinners seeking jobs in the UK.

But, even discounting newly qualified medics and dentists, the intake from universitles and polytechnics into the public services is still large. It increased

In the event, just as anxiety over final examinations reaches its peak, it seems that the squeeze on central and local government may well have deprived graduates alone of some 4.500 expected openings. With about 49,000 degreewinners competing on the market, this represents a sudden worsening of their overall

The relatively greater threat to the bitherto most favoured children of the education system does not, of course, alter the fact that to many of the 800.000-strong "Class of Summer 1979" as a whole, the advent of the Conservative Government seems sure to be a painful

Nobody owes either graduatea or non-graduates a job, it is Perhaps the sudden demonstration of that fact to the younger generations will in the end prove beneficial to the country. But it is a pity that so many of them should suffer for the sake of protecting in public-service employment what is probably a greater number of

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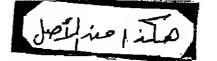
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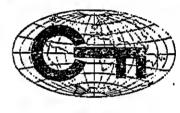
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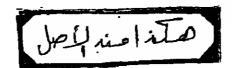
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RENCH DOLE queues may be orkers becoming more mili-

the but how many spare a patron," or employer, when s firm goes bust? Not only may he stand to lose

ny shares he holds in the comany, but he may even find himolf pursued by the commercial ourt or the banks for his vivate assets. Whether he is major shareholder or not, he ill generally be excluded from ly redundancy payments or employment benefits.

It is a characteristic of any pitalist acciety that the unaccessful entrepreneur should penalised but in France ere are some special factors hich can make bankruptcy irticularly disagreeable for the rectors of a small firm.

curt may sue the managing ject to this form of proceedings. rector of a company and feels fellow directors if it feels rector of a company and even is fellow directors if it feels concern among small entre-ie bankruptcy was due to prencurs is the bank's practice rions mismanagement—a term of foreclosing on directors who hich is by no means clearly have personally guaranteed fined. What is more it is loans to their companies. In the owner to disprove the France it is very difficult for a

w of us left in the Western

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Falised that it could nu longer

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F ? PPARENTLY THERE are very

Why French 'patrons' seek bankruptcy insurance

bring actions against directors in their personal rather than company capacity.

The 1987 law extended employer liability from private companies with unlimited liability to both forms of limited liability enterprise: the SARL, Société à Responsibilité Limitée (partnerships), and SA, Société
Anonyme (which can be private
or publicly-quoted). But it has
only heen applied when creditors bave reason to believe that the employer is capable of meeting their demands out of his Under a French law passed fore, the directors of large ick in 1967, the commercial publicly-quoted SAs are not sub-

What creates even greater loans to their companies. In legations, not for the court to small company to obtain bank loans without the managing 1978 and creditors became

but a matter of months before protect their members. the banks start moving in on these personal assets.

Finally, many directors cannot even fall back on the dole. To henefit from French unemployment insurance, one must have a work contract. Yet under legislation passed in 1966. mandataires sociaux," or directors, are generally not allowed to have work contracts, and are thereby excluded from the iosurance system.

Until recently nobody seemed very concerned about the fate of such bankrupts. There were still relatively few cases of directors being made personally liable for bankruptcies, hanks were not particularly ruthless in closing in on their debtors on the strength of personal guarantees, and insurance companies were understandably reluctant to offer cover in this field.

But as bankruptcies soared from 9,441 in 1973 to 15.589 in

Under pressure from credidirector putting up his own pcr-increasingly demanding, French tant to take on such uncertain lose their jobs hecause of mer- FFr 50,000 to FFr 200,000. The solution of the complex organisations started risks. But last year SNPMI gers or takeovers, as well as The lower percentage would asking commercial courts to company goes bankrupt, it is wondering how they could hest found an American insurance bankruptcies. Whereas participal apply to federations which

Several insurance schemes have been developed hut there is still some uncertainty about one of the key issues-whether compensation under all such schemes would be considered part of the personal assets on which creditors can claim.

The first initiative came from

small offsboot of the Confederation Generale des Petites Moyennes Entreprises (GCPME) called the Societe Nationale de la Petite et Moyeone industrie (SNPMI) with only 15,000 members. But rival systems offered by SNPMI more significant are the pro- and GCPME/CNPF, directors, posals now coming from the GCPME itself and the Conseil national unemployment insur-National du Patronat Français (CNPF) which together account for most of French industry and commerce.

In the field of director liability against damages awarded by commercial courts, progress has companies are still very reluc- system, including directors who earnings,

group which was prepared to offer directors cover for up to FFr 2m of damages in return in the GCPME/CNPF version for an annual premium which will be through industry federacan be as low as FFr 4,000 a tions.

year. So far nothing has been done to protect a director against a bank foreclosing on him because of a personal guarantee, though the SMPMI is examining the feasibility of introducing such cover_

But what has been attracting who are now excluded from ance, would themselves obtain dole payments.

The former, which has just gone into operatioo, does not cover unlimited liability com-

tion io the SNPMI scheme will agreed to make the insurance be on an individual basis, that compulsory for all its members

Under the first system, which is being run with the help of premium payments. the French insurance group The SNPMI is no Union des Assurances de Paris (UAP), participants would contribute five per cent a yeer of the henefits they might want to receive. Thus for between FFr 2,400 and public attention here has been FFr 6,000 a year they can look dole for the "patrons." Under forward to receiving between forward to receiving between FFr 4,000 and FFr 10,000 a month for a year.

The second system is being organised by the state insurance group GAN (Groupes des Assurance Nationales) with three other groups including UAP. directors would Under receive FFr 1.800 to FFr 7.000 a panies. The latter, which is still month for ten months, on the ere already weighed down with being worked out, will cover basis of premiums representing social security charges, would been slow. French insurance anyone excluded from the State 1.a to four per cent of annual. ranging

rather than optional, but it may he revised to 2.5 per cent.

Under both systems enver is only provided after a year of

The SNPMI is not expecting more than 3,000 subscribers to insurance fund hut the CNPF/GCPME is hoping for as

many as 1.2m. The cover is not particularly generous, but it will give a managing director some breathing space at a rather traumalic moment in his career. If a "patron" had already been stripped of his assels by the commercial court, he would still probably be left with something to keep himself and his family. but the new insurance would

guarantee some hasic income. French entrepreneurs, who prefer private cover to an extenfrom sion of the national unemployment system, but they are reluctant in asume yet further haancial commitments.

But the insurance can only be reasonably loexpensive if strong, as well as weak, com-panies parlicipate. That is why considerable importance is being attached to whether the government will agree to set off premiums against corporation

In the meantime, it is still unclear whether insurance compensation might be seized behalf of creditors—and therefore rendered of limited value.

The SNPMI does not anticipale problems, even if such payments might strictly speaking be part of a director's personal assets. In practice courts always leave some subsistence for the baokrupl, and creditors might be happy that this was coming from an insurance, leaving them the other assets.

But CNPF/CGPME do sec major problems, and want such as "unscizable or partly on-scizable" in the event of actions are bolding talks about this with the government

Michael Parrott

Kenneth Gooding describes the lengths to which a car maker has gone to sustain a sporty personality

BMW digs deep to protect its image

But did it really matter if tolerichatin But even in an industry BMW dropped out of motor hich is dealing daily with such sport? The group did some extensive market research. taking 2,000 samples in Gerest Germany's BMW group at Italy cost which must be well over Belgium. Belgium. This showed con-clusively that BMW customers did not just want their cars to The project centres around a have sporty characteristics. w, sports-racing car called e M1, specially manufactured they also wanted them to bave ···r the image-polishing purpose.

a sporty "image." It was coo-cluded BMW "woold lack perinvolves a series of races be-en M1s. also specially manusonality without racing." ctured for the same purpose.

nd a great deal of BMW's mar-That gave the group two main options. It could develop an engine to power Formula One racing cars (the most powerful and prestigious) or it could develop a sports-racing car of

its own. Eight out of ten of the BMW huyers questioned meotioned they got informatioo from the specialised motoring which might just write about any successes a BMW engine might have: But Europe's daily newspapers and general interest magazines are not in the babit of mentioning engines when

complete car. The MI, which has its engine in the middle, was ready last



The first race in BMW's Procar series at the Belgian Grand Prix.

year, a product of BMW engineering and the design capability of the Italian con-cern Italdesign.

But it cannot enter any races in Its classes-Group 4 and 5 reporting motor races. So the leea of developing an engine that cars in these classes must be adaptations of genuine road-wish negatives.

And at least 400 must be on the road to prove the point before they can be accepted as race entries. So, having deve-loped a car to win races, BMW has had to make road-going

The group will have 300 Mls on the road by the end of 1979 and the targeted 400 some time controversy and the motor sport in 1980. In the meantime It has done a deal with the Formula (FOCA) to stage races between the Mis already built at eight some coverage. out of the ten Grand Prix meetings this year and next as well as at Donnington in the UK.

BMW's luck bas beeo in because the deal caused some journalists, who would normally have practically ignored the MI Constructors Association races—dubbed the Procar races - have given the controversy

The main bone of cootentioo has been the involvement of top-ranking Formula One

are invited to race MIs specially prepared by BMW against each other and up to 15 privatelyentered (and sponsored) M1s.

To make this possible the rule race in the 24 hours before a Grand Prix has been somewhat

Even with this bending of the rules, some Formula One sponsors have told their roocompete in the Procar seriesnotably Ferrari and Renault.

Then there has been the question of casb for the drivers. Prizes for each Procar race

give \$5,000 to the first invited" driver and another \$5,000 to the first of the private. entries. \$3,000 to the second in each category and two third prizes of \$1.000, with further cash prizes and other goodles for those who gain the most points during, the series.

These are not large sums in a sport where the stars can net millions of dollars a season. So sldlary — which produces them willing to offer,

idea is that the five fastest ing, something to attract the drivers in Formula One practice Formula One drivers in the first place, some cash up front. A BMW spokesman admitted:

There had to be some starting incentive for the Formula One drivers. For example, to have which says Formula One drivers world champion Mario Andretti should not take part in another get into an M1 for a race was worth a great deal. If the world champion was to join in the fun. why should other drivers stay

In the Belglao Procar race, the first, the drivers certaioly tracted drivers they cannot had fun because the M1s arrived very late and there was not much time for practice. At the eod of the 20 laps 12 out of the 19 cars which started were badly dented or blown up.

> As the track cars cost DM150,000 each (\$79,000) this also produced some Press

Of course, BMW will get some of its iovestment back in eash. The road-golog versions of the M1 will sell at DM100,000 (\$52,600) each and the group claims that when 300 have been

sold its BMW Motorsport sub-

frum plants in lialy and the UK as well as Germany -- will just about break even on the cost of designing and producing the M1

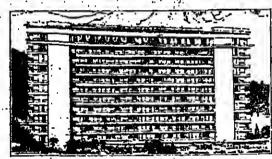
BMW reckons us dealers around the world would take 800 of the road cars if they were available and the potential for sales in reach 1,000 (logether worth 852,6m) seems in he there -even though the U.S. market must be excluded because 100 many cars must be crashed to comply with safety tests, and it is doubiful if the UK will get any because of the problems of pruducing a few hundred righthand-drive versions.

BMW does nul seem to be doing too badly on its investment in publicity terms either.

The FOCA deal with Eurovision for coverage of the various Grands Prix involves the television companies having to take about five minutes on the Procar race as part of the package — something the tele-vision people resisted because only one make of car was taking part even if some of the drivers had charisma.

It is estimated that \$00m people watch the Monaco Grand rix on television or saw recordings of it. And in normal circumstances it simply would not he possible to buy five minutes of television advertlsing to be beamed at \$00m motor sports enthusiasts — how-

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Corporations in competition with a 'dark horse

THREE TEAMS from Rank Chartered mer European champion John Chappell, have won places among the 16 semi-finalists in the £3,500 U.K. national management championship.

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Before that, however, the contest which started with 1.007 entrants will have heen reduced by the semi-finals to just four survivors. Depending on how they manage in the face-to-face final in London on July 20, the four will receive a prize of either £2,000, £750, £500, or

These increased prizes-to-gether with £500, £250 and 100 to the three top teams in the being given to mark the tenth annual management ebampion ship sponsored by the Financial Times, ICL and the Institute of

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Xerox, one of them led by for- England and Wales, in association with the Confederation of British Industry and the Insti-

tute of Directors. Like the three from Rank Xerox offices, most of the other semi-finalists represent commer cial concerns. Exceptions are the Harper Adams Agricultural College in Shropshire, a private entry of graduates of the Insead husiness school led by Mr. N. A. Smith, and a "dark horse" contender-Mr R Wehl of Penn in Buckinghamshire.

whom will start the next round amid work-to-rules created by the game's computer pro-

in gramme—are as follows: socia- AE Auto Parts, Bradford; Caterplliar Tractor, Glasgow: Chase Manhattan Bank, City of London; Deloitte, Haskins and

Sells, London; Godwins, Farn-borough; ICI Petrochemicals, Cleveland; Reader's Digest Association, London Sphere Drake Underwriting, City of

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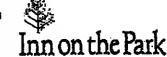
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The U.S. sets a bad example

BY DAVID FISHLOCK

make do with less.

The consequence is that the demonstrated their fuels than they need have tomorrow's done, for a long time to come, reactors. With an assured market the size half its oil, OPEC need show little restraint in its pricing.

Plutonium

the Ford Administration-was preoccupied with nuclear pro-liferation. It sought to forbid the recycling of speot nuclear fuel and the use of its plutooium hyproduct, despite the fact that for three decades this had been recognised widely as one of the most promising ways of conserving a fuel.
Instead, from the advantage

of helieving his country to be abundantly stocked with uranium the new president urged the adoption worldwide of U.S. designed reactors and promised to guarantee uninterrupted supplies of fuel to those

I yield one-third more energy. not persuaded. Five of the seven would be abandoning an energy further. But they accepted Presi- in point. dent Carter's proposal for an international evaluation of the President Carter, to use his own basic tenets of his domestic words, sees as the "moral policy. This was launched equivalent of war," he will take towards the eod of 1977, as the to Tokyo the feeblest record of International Nuclear Fuel achievement in saving energy Cycle Evaluation (INFCE), with of the seven nations present.

other 50 nations participating. Had INFCE been showing any if others accuse him of letting

† Indicates programme in black and while

BBC 1

6.40-7.55 am Open University

PRESIDENT CARTER could be capitalise on it this summer, in for a had time when the But it has not. It has certainly In for a had time when the Tokyo economic Summit gets around—as it surely soon will—to the subject of energy. His Administration has failed to persuade the world's most prodigious consumers of energy that there is any real need to make do with less.

But it has not. It has certainly persuaded all nations—and perhaps Fraces most importantly—to take proliferation more seriously, and to show more constraint in choosing oversess markets for nuclear know-how which can be turned into weapons. But it has certainly persuaded all nations—and persuaded all nations—and perhaps fraces. ioto weapons. But it has also the essential other six nations—UK, France, commonsense, in terms of fuel West Germany, Italy, Canada, conservation, of place to hurn Japan—represented in Tokyo the plutonium by-product in will pay appreciably more for today's "thermal" reactors in fast hreeder

President Carter is therefore of the US, which imports about unlikely to wish to give INFCE -still not due to report officially until early next year —any serious attention at this year's Summit. But his col-leagues may wish to raise a At the London Summit two closely related aspect of nuclear years ago President Carten potitics, the U.S.-designed freshly elected, tried hard to per-reactor, to which five of the freshly elected, tried hard to per-reactor, to which five of the suade his fellow beads of state seven nations are already to accept his domestic nuclear heavily committed, and which policy. This policy—partly, it another (Britain) wants to should be said, inherited from explore.

The energy policy of the present U.S. Government gave this type of reactor a clean bill of health in every respect. The disturbing feature of new evidence now coming to light after the accident on Three Mile Island two months ago seems to be how lax was the U.S. Government in enforcing its own rules and regulations. It was perhaps diverted by its own preoccupation with pro-

Confidence

As a result other nations who accepted U.S. policy. He even beld out promise of de which have exercised more velopments in fuel and reactors painstaking care to police their which might spin out the fuel to nuclear installations are vield one-third more energy. The other heads of state were public confidence consequent upon an accideot thousands nf -UK, France, Germany, Japan miles distant. For several, plans and Italy—were well aware that to let uranium shoulder an in abandoning plutonium they increasing part of national fuel increasing part of national fuel consumption seem bound to he system which promised to make hampered. Germany's decision their meagre indigenous to defer plans for a Windscale-reserves of uranium go 50 times type factory is an abvious case

After two years of what It can scarcely surprise bim

Inexpensive wines for summer drinking

others. This means, I assume, that one drinks lighter wines then, though it would he bard indeed to convince the Burgundians to drink Bordeaux or the Pledmontese to sip

than it is in winter. But among white wines, summer surely indicates drier wines at one point, sweeter at another. So the summer wine list may best be divided into three: Aperitifs, wines with meals and dessert The most obvious summer

aperitifs are sparkling wines, headed hy champagne, and there are those who maintain that for this purpose the hlends made eotirely from white grapes, the blanes de blanes, or those made from B larger than normal proportion of white grapea, are the better for heing particularly crisp and dry. Probably the hest known is Taittinger's Comte de Champagne, but Pol Roger also have a Chardonnay. Both are excellent. Also recently returned to this market is what might he called the original blanc de blonc, Salon le Mesnil, for it was in the 1920s that this firm at le Mesnil on the Cote des Blancs first marketed oo aoy scale a champagne made entirely from white grapes. Another wine

Then there is the new Krug Grande Cuvee, much lighter than the normal Krug style. as it contains a larger proportion of white grapes from their vine-vard on the Côte des Blancs. Bardolino.

Certainly in the British summer claret is easier to hring to table in meny houses the fairly new appellations of Crémant de Loire and Cremant de Bourgogne, which are all made by the champagne method, with the cremon's lighter, like those in Champagne.

to drink really dry fino sherries, which should be served refreshingly cold, and the wine should not be kept long once the hottle is opened, for it oxidises quickly and turns a little hitter. Among the really dry are Innocente, San Patricio, Tio Pepe and Tres Palmas. Equally dry hnt rather fuller-hodied because including a proportion of older finos is Don Zoilo, whose somewhat osteotatious launching some years ago as the most expensive sherry may have put as many people off as it impressed; hut it is, however, very fine of its kind.

sberry for me is Chambery vermouth with a small slice of lemon peel in it, making a very wine aperitif is vin blanc cassis.

cheap wine it once was, and I find it goes admirably with any dry white wine, including fruit and flavour, Muscadet and Yugoslav Riesling. For my taste most of the recipes prescribe too much crèine oc cassis, which makes it hoth over-sweet and masks the wine. With eight glasses to the hottle one level tablespoon of cassis per glass seems

the traditional room temperature, as this bringa out both summer drinking a Beaujolais Villages 1978 can be dangerously delicious: dangerous because it is not so difficult to drink too readily a wina that may not be as innocuoua as it seems.

France's other candidates just right to me. Serve well for summer white wines are chilled.

Serve well for summer white wines are those from Bordeaux. As a

WINE

BY EDMUND PENNING-ROWSELL

For wines to accompany recent official tasting in London summer cold meals, the Loire showed these have improved whites are obvious candidates. from Pouilly Blanc Fume and Sancerre at one end of the region to Muscadet at the other. The former pair have a clear advantage in quality and advantage in quality and flavour, out Muscadet is a good deal less expensive. In hoth cases the 1978s are superior to the 1977a. The Loire reds are suitable too, especially the A summer alternative to young Touraine Gamays, often sold as Tourame Rouge, and Saumur-Champigny, Fresh and light they drink very well served slightly fresh in temaromatic, refreshing drink, served slightly fresh in tem-Finally, the obvious summer perature and no more than two or three years nld.

The other French red from this Côte is Mumm's If made with Bourgogne The other French red wine Crémant de Cramant. A Aligoté it may be called a Kir. that goes down very well when crémont champagne has less after the canon and mayor of gently chilled is Beaujolais.

greatly in recent years, being fresher, cleaner and less sulphury than they too often were. A Bordeaux Blanc Sec or B Bordeaux Sauvignor should now have the crispness that one looks for.

Perbaps because most of us still tend to visit Italy in the ively thinks of Italian wines for drinking in this connection; Verdicchio, Soave and Frascati among the dry whites, Chianti, Valpolicella and Bardolino for the reds. The last-named is particularly agreeable when young, with something of the "cut" of beaujolais.

Less familiar, perhaps, but

German wines are often diffiis nothing more attractive than a dry Moselle, notably from the Saar or Ruwer tributaries, served straight from a cool cellar or after half an bour or so in the refrigerator; and how fortunate that the relatively low alcoholie atrength encourages yet another glass!

As dessert wines the sweeter German wines are incomparable, hut the dessert must be chosen with care: no sharp citrus fruit nor anything chocolate—or coffee-flavoured. Indeed, a fine Auslese at least should he drunk on its own on a clear palate, not least the deticious Rieslings from Rhine and Moselle.

The French sweet white wines are perhaps more acconi-modating, though they should not be served with anything too heavy, Yquem and one or two other celebrated crus apart. Sauternes are not expensive for their distinctive quality, and Santo, made from grapes left are probably the most under to dry like raisins until fersummer months, one instinct are probably the most underpriced fine wines in a world that currently under-values them. Less expensive still are the Inscious wines from the adjoining villages of Cerons. Ste Croix-du-Mont and Loupiac: a little the co-operative at Toblino, just

IT IS often suggested that some "fizz" and is lighter than Dijon, who figured prominently The "cru" wines, such as now producing very attractive to the Loire. First, Vouvray, wines are more appropriate for drinking in the summer than these days Aligoté is not the control of the summer.

The "cru" wines, such as now producing very attractive to the Loire. First, Vouvray, Moulin-2-Vent and Fleurie wines are those from the Trendricularly not the sec, to me usually rather than the control of the summer. those made from the Cabernet dull, and not what Vouvray should be. If possible one should try to find an example with some bottle-age. Secondly, cult to match with English food. there are the excellent and but on a fairly warm day there generally inexpensive Cotcaux generally inexpensive Coteaux dn Layon sweet whites,

They reach their peak of lusciousness in Quarts de Chaumes and Bonnezeaux Grown further north than the sweet Bordeaux they tend to have rather more acidity and are fresher to the taste if generally less liquorous. Both are produced in relatively small quantities, and may be less easy to find than plain Coteaux du Layon, but there is no need to apologise for a good example of that wine.

Finally, because dessert white wines are under-appreciated but should not be missed, I mention two probably best encountered leux produced and largely drunk near Pau and the foothills of tremendously so, and Italians might describe it as amabile. The other is an Italian Vino mented as late as holy week in the year after the vintage; hence the name. They are made du-Mont and Loupiac: a minimal heavier, a shade less distinguished hut delicious with couple of glasses one may be excused for feeling a little santo The alternatives take us back oneself.

Sir Lester at Salisbury

seen at Salishury these days and it seems significant that be should be there this afternoon minor eve-of-Derby meeting.

The principal reason for his visit appears to he the presence nf two well-fancied Beckhampton runners. Abeer and Chop Gate. The first named has yet to run and It is only her reputation that prompts me to take a chance on another first-timeout winner for Jeremy Tree; but Chop Gate undoubtedly has the credentials to dely top weight in the Harnham Handi-

on his racecourse debut in last, conceding a stone, spring's Wood Dittnn Stakes at But for the lack of Newmarket, a chestnut by Connaught out of the 1968 1,000 sign of confirming the rationale, them down, and perhaps even a disappointment. However, he in energy terms, of U.S. nuclear wresting from him the initiative did win a modest event, beating policy, President Carter would in international energy policy Lazy Dynamite by one-and-undoubtedly bave wished to the U.S. has enjoyed since 1973. a-balf lengths in a ten-furlong a victory for Piggott on Milford

unraced Sir Lester in the second division of the Laverstock date this term is anything to go hy be could still prove himself to be the amart performer that Wood Ditton run at Newscart. Wood Ditton run at Newmarket

suggested he would hecome. Trying to make all his own RACING

BY DOMINIC WIGAN

running in the Turn of the Land Handicap on 2,000 Guineas day, the Lady Murless Cap. four-year-old almost succeeded; Chop Gate, a highly-promising going down by just a head to runner-up to Leonardo da Vincio The Hertford, to whom he was

But for the lack of a previous run on that occasion I feel certain that Chop Gate would bave Guineas winner, Caegwrle, sub-sequently proved something of Brian Swift's veteran—now a disappointment. However, he 6 lbs worse off—and the subsequently successful Salutiferous.

8.00 The Streets of San

Francisco, 9.00 European Election Broad-

Party. 9.10 Rumpole of the Bailey.

ANGLIA

1.25 pm Anglio Nows. 2.30 This
Year. Next Year. 3.25 Oat of Town.
2.55 Freed of Men. 2.00 About Anglis.
7.00 Enterprisa. 7.30 TV Movie: "Things in Their Sesson." 11.10 The Cambridge Union Oebete. 12.00 The Entstrainers.
12.30 am Themes.

12.30 am Themes.

ATV

1.20 pm ATV Newedeak. 2.30 The Taesday Movis: "To Sir With Love" starring Sidnsy Poiter. S1S Gombir. 6.00 ATV Today. 7.00 Emmerdals Form. 7.30 The Tuesday Thriller: "The Connection." 8.50 Special Edition. 11.10 Tuesday Jezz: "Louis Armstrong—Chicago Style" starring Ben Yersen.

BORDER

1.20 pm 8ordsr News. 2.25 This Yesr. Next Ysar. 3,20 8ygones. 3,50 Unternost World. 5.15 Out of Town. 6.00 Lookeround Taesday. 7,00 Emmsrdale Ferm. 7,30 McMillan. 11,10 The Cambridge Union Oebate. 12,00 8order News Summary.

CHANNEL

CHANNEL

1.20 pm Chenns! Lunchtime News end
What's On Whare. 2.25 This Yess.
Neel Year. 3.20 Oh No, It's Selwyn
Floggitt. 3.50 The Electric Theatra
Show. 5.15 Stars on ice. S.00 Report
et Six. 7.00 Survival. 7.30 Thundercloud. 8.00 Sarnaby Jones. 9.00 A
Chence To Meet. 10.38 Channel Late
Hawa. 11.10 Twist in the Teis. 12.05 am
Police Surgeon. 12.30 Commentsies et
Previsions Melecrologiques.

GRAMPIAN

GRAMPIAN

8.20 am First Thing. 1.20 pm
Gramolan News Headlines. 12.30
Festure Film: "The Oay Will Oawn"
aterring Raiph Richerdeon, Oeboreh
Ksrr end Hugh Willisme. 5.15 Gembit.
6.00 Gramolar Today. 6.05 Out of
Town. 7.00 Thundsrcloud. 8.00
Gramplan Earopean Election 6 geetsl.
11.15 The Cambridgs Union Debste.
12.00 Reflections. 12.05 am Gramplen
Late Night Headlinss.

GRAMPIAN

cast by the Conservative

LESTER PIGGOTT is not nften maiden event on the July tomorrow the presence of the

day's Prix Jean Prat winner, Young Generation will not be going for the Joe Coral Eclipse after a tilt at the St. James's Palace Stakes. Provided that all goes well at the Royal meeting Young Generation will bave his next race after the St. James's Palace in Goodwood's Sussex Stakes. But for an exceptionally slow early pace on Sunday and ground riding faster than many anticipated, Young Gener-ation would not, in the opinion of his rider, Greville Starkey, have lasted out Longchamp' nine furlongs.

SALISBURY 1.30-Bean Reef* 2.00-Carnisky

2.30-Abeer** 3.00-Liberated 3.30-Chop Gate*** 4.00-Energy Plus 4.30-Queen's Garden

1.20 pm Report West Headlines, 1.25
Report Wales Headlines, 2.30 Sister
Ooia, 3.25 Cash and Company, 6.15
Melotoons, 5.20 Crossroads, 6.00
Report West, 6.15 Report V/ales, 6.30
Report West, 7.00 Oefinition, 7.30
The Tuesday Movre: "Night Terror,"
11.10 The Cambridge Union Oebete—

1,25 pm News end road end weather,
2,30 This Yeor, Next Year, 3,25 Oh No,
It's Selywn Froggitt, 3,95 Home and
School, 5,15 Popeye, 5,20 Crosaroeds,
3,00 Scotland Today, 5,30 What's Your
Problem? 7,00 Emmerdele Ferm. 7,30
Feolura Film: "Mert Helim." 11,10 The
Cambridge Union Oebate (Cambridge
Oebatoe Europe), 12,00 Lale Cell.
SOUTHERN
1,20 pm Southern News, 2,30 Thio
Year, Next Year, 3,25 The Love Soat,
5,15 Betty 8000, 5,20 Crosstoede,
6,00 Oay by Day, 7,00 Emmerdale
Ferm. 7,30 Columbo, 11,10 Cambridge
Osbetse Europe, 12,00 Southern News
Extra.

TYNE TEES 2.25 This gones. 3.50 North Easi News Headlineo. 1.20 pm North Easi News. 2.30 This Year, Next day. 7.00 Millant, 11.0 6.00 North Ent. 11.00 Emmerdale Farm. 7.30 "Mett Helm" starring Tony Francisco and Patrick MacNee. 11.10 Check it Oai. 11.40 The News and 12.35 am Epilogus.

ULSTER 1.20 pm Lunchtime. 12.30 Tuesday
Matines: "The Oey Will Gewn." 4.18
Ulater News Headlined. 5.18 Cartoon
Time. 5.20 Croseroede. 5.00 Ulater
Television Newa. 8.15 Milestones or
Millstones. 8.30 Airght Now. 7.00
Emmerdele Farm. 7.30 Tuesdey Movie:
"The Fast Lady" sterring Jamea Robertagn Juestice, Leells Phillips and Julia
Christie. 11.10 Turb's Progress.
12.10 am Beddime.

12-10 am Bedrime.

WESTWARD

12-27 pm Guo Honeyban's airthdeye.
1,20 Westward News Heedlines. 2-25
Thie Year. Hext Year. 3-20 Oh No. II's
Selwyn Froggitt. 3-50 The Electric
Theatre Show. 5-15 Stam on Ice, 6,00
Westward Olary, 7.00 Servivel. 7-30
Thandercloud. 8.00 Bemesty Jones.
10-38 Westward Late News. 11-10 Twiet
in the Tale. 12-05 am Police Surgson.
12-30 Faith Ior Life. 12-35 West Country
westher, shipping forecest.

YORKSHIRE 1.20 gm Calendar Hawe. 2.30 This year, Naxi Year. 3.25 Calendar Tasadey. 3.50 Stata on Ice. 6.15 Little Vic. 6.00 Calendar (Emisy Moor and Bellmons). 7.00 Emmerdale Farm. 7.30 "Mest Helm" starring Tony Francissa and Ann Tarkel. 11.10 Sideatreet. 12.10 am George Hamilton IV.

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ST. GEORGE'S SHAKESPEARE THEATRE. Turnell Park Road. N7. 01-607 1128. Mat. 70d3v & Thar. 2.30, Tent. & Tomor. 7.30 Tomor, 7.30
JULIUS CARSAR
"BERNARO HEP10N—the Carear magainways want to meet and celdem do,"
J. C. Trewin, Sat. & Mon, next 7.30
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"Fell of English resonance and energy."
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Tickets niso bookable at the Theatre
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TALK OF THE YOWN. CC 01-734 5051.
AIR CONDITIONING, CREDIT CAROS,
CELEBRATING 21 YEARS,
From 8.00. Oning and Dancing
9.30 SUPER REVUE
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VAUDEVILLE, CC. 01-835 9985, Ets. 3.0, JEAN KENT and JOYCE CARRY

A MUROER IS ANNOUNCED

"VINTAGE PIECE OF CHRISTIE WHOOLNITRY." SUNday Prople.

"WELL-LOVED PARTY GAME BY THE BEST CONJURDE IN THE BUSINESS," F.T. Last Week.

VAUDEVILLE. CC 11-836 9988. Opens The, June 19 mp T. Subs, e-95, 3 Sees, S and J.S. First Wed, mast 27, 2.45. EDW ARD FOX in TNE FAMBLY REUNION by T.S. ELICI (BOOK NOW!

VICTORIA PALACS. CC. 01-828 4735-8.
Evgs. 7.30. Mats. Weg, and Sal. 2.45
STRATFORD JOHNS
SHEILA HANCOCK IN
"BLOCKBUSTING SMASH-HIT
MUSICAL." Daily Mad.
Bost Muskal of the Year 1978. E. Slan.

WARRHOUSE. Oppmar Theatre. Covers
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Royal Shakespeare Co.
Ton't. Tomor. Thurs. 7.30
Howard Brenton's
THE CHURCHILL PLAY
"Superlalively acted," Guardian. All
seats £2. Students £1 bbile. In adv.
Adv. bkgs. Aldwych.

WESTMINSTER. CC. 834 0283:
EV9S. 7.45. Mars, Wed. & Sst. 3.00
The Musical Theaire Company
THE MIRCADO
Company Includes: Caris Booth-Jones,
Flooa Onche. Ann Hood, Neil Jentins,
Rosemary Jenner, Thomas Lawlor, Martin
McEroy, Philio Summerscales, Alison
Truefit.
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WHITEHALL CC 01-930 6692-7765.
Monday to 7harsday 8.00. Fri and Sah
6.10 and 8.50
This Airlean Musical Explosion
A pulsating rish of Dairie and Sons.
FOURTH GREAT YEAR

WIMBLEOON THEATER, 01-946 5211,
The Broadway, SW19, Last perfs.
Tonight 7.30. Tomograw Send 3.15
Genma Jones, Petrota Roulicede
in a new camedwall Game,
"C. P. Taylor's, raarlog, Janny and
Jensitive comedy," BBC.
WINDMILL,
CC. 437 6312,
Mightly al 8 00 and 10.00, Sunday 8.60
and 5.00. Paul Raymond gresents RIP
OFF. The erbik experience of the modern
era. Now showing new second edition,
New girls, new acts, new production WYNDHAM'S. From 8.30 am Inc. Surs.
ot-838 3028. Credit card bigs. 838 1071
Mon.-Thur. 8.00. Fri. and Sai. S.1S. 8.30
"ENORMOUSLY RICH"
Mary O'Mailey's smash-hir comedy
O'NCE A CATHOSIC
"VERY FUNNY."E. News.
"Sare-fire comedy or sex and religion."
Osaly Tel. "MAKES YOU SHAKE WITH
LAUGHTER." Guardian.

YOUNG VIC 928 8383. Evgs. 7.30. Joe Orton's WHAT THE BUTLER SAW " Oelir.ously lanny." Times, Until June 23 CINEMAS

(Ultra high frequency only). 9.10 'For Schools, Colleges. 1.15 pm News, 1.30 The Flumps, 2.00 You aod Me, 2.14 For Schools, Colleges, 3.20 Ar Y Brig, 3.53 Regional News for England (except Londoo), 3.55 Play School (as BBC-2 11.00 am).

ACROSS

immediately (2. 4) immediately (2. 2)

12 Time for tea—let's have 15 Amid which Ruth stood in

in loudly (6)

16 Escort vessel finds entrance after a short day (7)

20 A fool is nothing among
Republicans (4)

(4. 2) 27 Diets can show how far you have to go (8) 28 Ulysses bound himself to the mast to escape them (6)
29 The lazy get in and act before term (8)

panion with weapons (6) rugger match (4-3).

Paddington. 5.40 News.

F.T. CROSSWORD PUZZLE No. 3,987

1 After a pause Dun is upset

9 Examination to get one on

DOWN Amulets provide a com-2 'We have — to make women speak' (Anatole France) (9) 3 Objective of the RAF as ... 4 Doctor has work-out in the

4.20 Pixle and Dixie. 4.25 Animal * Magic. 4.45 Tarzan Lord of the Jungle. 5.05 Ask Aspel. 5.35

10.05 The New Sound of Music.

7.25 Centennial.
9.00 Party Election Broadcast for the European Assembly by the Conservative Party.
9.10 News.
9.35 I Didn't Know You Cared.
10.05 The New Sound of Music.

10.05 The New Sound of Music.

10.05 The New Sound of Music.

10.06 Camera — Early Photo graphy.

10.40 Camera — Early Photo graphy.

11.10 The Cambridge Union Oebate—Cambridge Oebates Europe.

11.10 The Cambridge Oebates Europe.

11.10 The Cambr

unreasoning perception (9) with the special service unit 7 South Sea Island carriage 5 Orhits round the tavern (6) 8 Look up the festival and make Olive wild (8) trial hearing (S)

10 Expert includes fashion

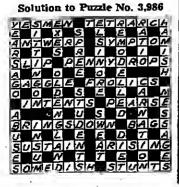
11 Norman French must be about initially if there is a

tears (5. 4) 13 One short drink in the exams gets you the genuine articles 17 Plenty have a hair-do hefore 11 Under age worker follows 18 Shivers in the Women's Service to hazard an opinion (2, 1, 5)

of a gamble (7)
21 Red note includes you (6)
21 Say what you may get if you 23 Coloured cape hetrays the 22 Consort found on watch (6) raw band (9)
23 Decoration the youngster returns to me (5)
26 Induces the breakfast menu
22 Consort found on watch (6)
24 Keen, hut sounds a hore (5)
25 Half the capital gets you round Paris (5)

Solution to Puzzle No. 3,986

teaching there



10.55 Tonight.

11.35 Multi-Racial Britain, 12.05 am Weather / Regional News, All Regions as BBC-1 except 5.55 Nationwide (London and at the following times:— 9.10 Rumpo South-East only). Scotland—5.55-6.20 pm Report-

Northern Ireland News. 5.55-6.20 Scene Around Six. 12.05 am News and Weather for Northern reland. Eogland—5.55-6.20 pm. Look

East (Norwich); Look North (Leeds, Manchester, Newcastle): Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth); BBC 2 6.40-7.55 am Opan University.

10.30 It's A Great Life-If You Don't Weaken. 11.00 Play School. 4.50 pm Open University, 6.55 A Child'a Place. 7.20 Mid-evening News. 7.30 Tennis To Win. 7.55 It's A Small World. 8.05 Brass Tacks. 9.00 Crime and Punishment. 10.20 Top Gear. 10.50 Late News.

11.05 Party Election Broadcast
(as BBC1 9.00 pm).

11.15 The Old Grey Whistle
Test. 11.55 Fox Watch LONDON 9.30 am Schools Programmes.
11.55 Cartoon Time. 12.00 Paperplay. 12.10 pm Rainbow. 12.30
The Cedar Tree. 1.00 News plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 The National Gallery. 2.30 Tuesday Matinee: "The Call of the Wild." 4.20 Runaround. 4.45 Magpie. 5.15 Emmerdala Farm. 5.45 News. 6.00 Thames At 6. 6.25 Help! 6.35 Crossroads.

6.35 Crossroads, 7.00 What's Oo Next? 7.30 Thundercloud.

GRANADA

1.20 pm Cartoon. 2.30 This Year,
Next Year. 3.25 The Story of Wine.
3.50 Gembit. S.10 Ths Underges Adventages of Ceotain Hemo. S.18 Crossroads. 6.00 Granada Regorts. 6.35 Emmerdale. Farm. 7.05 University
Challsnage. 7.35 The Teachay Movies:
Jane Saymour in "Banny and Berney:
Las Veges Undercovor." †11.10 The
Lat Hight Tholler: Oonald Sinden in
"Eyewitness."

Table Thundercloud.

RADIO 1

(S) Stereophonic broadcast 2 Medium wave.

5.00 am 6 Radio 2 St. 00 Oavs bas 1 Liable 1 St. 00 (Inbute) 3.25 Cech Mayer at 100 (Inbute) 3.25 Mayer at 100

THEATRES

COLISEUM. Credit cards. 240 2528.
Reservations 835 3151. Opens Tomor.
NUREYEV FESTIVAL.
EVGS. 7.30, Mais. Sal. & Jone 7 & 14
at 2.30; with LONDON FESTIVAL.
BALLET June 5-9 Romeo & Juliet June
12-16 Sinephig Beauty. Jane 25-30 with
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TON'T. & Fr. 7.30 Werther with Teress'
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& Mon., 7.30 La Boheme, Trut., 7.30
Luis Miller.
6S Amphi seats avail, for all perts, from
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10 am on day of peri.
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If rilorno O'Ulsse. With the London
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SAOLER'S WELLS THEATRE, Rosebory
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OANCE TNEATRE
TOURS TO SAN Wed, Mat. 2.00.
Touling a Tomori. Wateriess Method of
Swimming Instruction, No Man's Land.
Masque of Separation. Wed Mac Wirerless Method of Swimming Instruction,
Masque of Separation. Thur, Fri & Sat:
Sceno Shift. Eos. Class.

THEATRES

THEATRES

ADELPHI THEATRE, 01-836 7611,
Previews June 14, 15, 16 & 18 at 7,30,
(Seats from 70p to £4)
Opens Tuesday Jane 19 8t 7,00,
In The John Instant
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Box Office Now Open,
ALBERY, From 8,30 am Incl. Suns, 836
3876, CC, Bookings 836 t071-3, Evg.
7,45, Thurs, and Sat, 4,30, 8,00,
A THOUSAND TIMES WELCOME IS
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GILLIAN BURNS, MARGARET BUR7ON,
Party mites and student standby avail.
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ROYAL SHAKESPEARE COMPANY
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LOVEJ 3.0 Tonori 2.00 & 7.30
"As perfect as anything to be like
slide of heaven." Guardian. With New
Production Mikhail Balgakov's THE
WHITE GUARO IFrI. Sal. mAet.
RSC also at THE WAREHOUSE (see
under WI. under W.
AMBASSADORS. CC. 01-836 1171.
Evs. 8.00. Frl. and Set. S.30 and 8.30.
OINSOALE LANDEN, GWEN WATEDRO.
OAVIO BURKE ANGELA OOWN

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2001ES

WITS MOACT HIT ME LIKE A
THUNCERAOLT FROM JOVE THE
LANGUACE BLAZES WITH WIT ANO
INTELLIGENCE ANO ITS THEME
"WHEN WE NAVE LAUNED AT ITS
WIT. 3EEN HELD IN THE GRIP OF ITS
ORAMA AND REVELLED IN THE
GUAGE BOOLS STELL ANDESS ECHO
HEARTS. DINSDALE LANDING AND
HEARTS. DINSDALE LANDING PREPORMANCE IS WORTH GOING MILES
TO SEE" BETTAIL CHIN.
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STELL BEST PREFORMANCE IN A
MODERN PLAY NOW TO BE SEEN IN
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APOLLO THEATRE. CC. 0.1-43T 2853.

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EVS. 8.00. Sat. 5 and B. Mats Th. 3.00.
LAVENOER TOTOMOTHY
JULIA FORTER IN
HAPPY BIRTHOAY
THE AUTHORS OF "BOCHING BOEING."
"FEYOEAU LIVES. CA VAI" Gdn. "IT
WILL PROBABLY RUN AND RUH."
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ARTS THEATRE. TOM OTOPPARO'S OURTY LINEN
"Hilarious . . . do see it." San. Times.
Monday to Thorsday 5.30. Friday and
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NOW IN ITS 4th YEAR

ASTORIA, Charino X Rd. S. CC. 01-T34
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Reduced price dreview June 8th
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GREASE The maskal sensation! Group bookings 01-43T 3856. AVENUE TICKET OFFICE. Queen'u Thorste Foyer, Shaftesbury Ave, Wf. Tel. 01-734 0.261-0720. STUDENTS-SENIOR CITIZEN'S Spandby tickets Mon-Fri. on Sals here 5 pm-1pm for Apollo. Orny Lane, Globe, Her Malesty's Pallaciam. Lyric and Victoria Palace (subject to availability). CAMBRIDGE. 01-835 6055. Also open San. It am-Tom. CC. 01-836 T040. Mon.-Thurs. 8.00. Frl. and Sat. 5.00 and 8.30.

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TB1312. Season sponsored by Marbin & Rossl, Tale Offvis. 015c01c. Tomor. Thur. T.00. Sal. Z.00 DISCOLE. Tomor. Two HEADS. Today. Fri. Sal. T.00. Thur. 2.00. Thur. Discole. Today. Fri. Sal. T.00. COMEDY THEATRE. CC. 01-930 2578. Mol. at 9.00. Mins. Fri. and Sal. 6.30. THE ONLY ROCK 'N' ROCK SHOW SNACK BAR OPEN 1 HR. BEFORE PFS. CRITERION. From 8.30 am Incl. Sans. 01-930-3215. CC. Bigs. 01-838-1071. Eys. 8.00, Fri. and Sat. S.30 amd 8.30. Lewis. ELIZABETH ELIZABETH CLOUDS STENBEN "IS BLISS." Observer. MICHAEL FRAV N'S FUNNIEST GLAY," O. Telegraph.

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Season emds 16th June—Sook Now, DUCHESS. 01-836 5243. Mon. to Thers. Evs. 8.00. Fri. and Set. 5.30 and 8.15. ON I CALCUTTA!

The nuclity is sturming." Daily Tel. Nath Behastional Year FORTUNE, 838 2238. Eves 8.00. Mats Thurs. 8.00. Saturdayu 8.00 and 8.00. AGANNA CHRISTIE'S. MURDER AT THE VICARAGE FOURTH GREAT YEAR GREENWICH TNEATRE, Evs. 8.00. Mars.
Set 2.30. Molner's THE PLAY'S THE
THING. Adapted by P. G. Wodehouse.
Octiontally writty . mast be seen,
S. Tel. Exhilarating splendidly
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ISHATDI Wed. 3.00, Sal 5.30 and 8.30.
OENNIS OULLLY IN IRA LEVIN'S
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"THREE CHEERO FOR TWO HOURS
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MARVELIOUS CHEERIALMENT." S.Tell
"VERY EXCITING." FIR. TIMES.

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NAYMARKET.
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KEITH SUSAN
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THE CRUCIFER OF BLOOD
by GAUL GIOVANNI
"The kind of spectace 1 cannot recall
since bowhood ... Lettiffic stuß." News.

OF ANY MUSICAL IN LONDON." Obs.
KINGS NEAD, 226 1918. Dr. 7, Show &
FEARLESS FRANK. A MASICAL by
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LYRIC THEATRE, CC. 01-437 3888.
EVS. B.00. Thur. 3.00. Sec. S.00. 8.30.
FLOWRIGHT
FATRICIA HAYES IN
FATRICIA HAYES IN
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DY Edward of Filippo
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SQLICTY OF WESS END THE YEAR
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TOTAL TISLUMPH "EVER NEWS."
AN EVENT TO TREASURE." O. MIFTOT
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PALACE, CC. 101-137, 6834. Mon.-Thurs. 8.00. Fr; and Sat. 6.00. 8.40 JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber. by Tim Rice and Andrew Uryd-Webber.

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ALAN AYCKBOURN smash-hit comedy
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A National Theatre Production.

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A Tomor. ni 8.00. Opena Thur. nt 8.00.
Subu Ergs. 8.00. Sats. 8.00 & 8.30.
Regret no late comers.
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ABC 1 and 2. Shatterbury Ave. 838 3881, Sep. Perta. ALL SEATS AKELE. 5: THE DEER NUMBER 1X, Wk. and San. 2.15. T.30. 70 mm Outby Stored. 2. THE TOWERING INSERNO 1A). Wk. & Sun. 2.45. T.40. TO mm stered. CAMDEN PLAZA, Camdon Town, 465 2443 loopoosite Tubek, MAX OPHULS' MADAME OE 150 laye Progra dsilv 2.05, 4.15, 6.30, 8.50, Ends Sth June. 2.05. 4.15. 6.30. 8.50. Ends Sth Jume.

CLASSIC 1. 2. X. Naymarket (Piccadilly Circus Tubel. 01-838 1527.

51 THE WORLO 19 FULL OF MARREED THE WORLO 19 FULL OF MARREED THE WORLD 15. 3.30. 5.50. 8.10.

2. THE WORLD 19 FULL OF MARREED THE STATE OF THE WARRINGS K. Prost. 105. 5. 25. 9.50. S. 18. 22. ROBERT MICHOUNT RVAN'S DAUGHTER LAIT SED MET'S. 2.00. 7.15. 4. KENTUCKY FREED MOVIE IX. Groups S. 3.55. 8.50. 7.75. 4. KENTUCKY FREED MOVIE IX. Groups S. 3.55. 8.50. 7.35. 3.55. 8.55. 8.50. CLASSIC. Lolecter Square, 01-930 8915. CLASSIC, Leicester Square, 01-930 8915-OEATH COLLECTOR (X). 2.53. 8.05. 9.15. MEAN DOG BLUES (X). 1.10. 4.20. 7.30. CLASSIC POLY. Orions Circus (Upper Ropent St.1 Bay 9383 Ingrid Berman, Lev Ullman, AUTHAN SONATA IAAI, Progs. 1.30 Inpt Sud., 3.45, 6.60. 8.15. CURZON. Curron Street, W1. 499 3737.
Grand Prix Cooler, The Tree Of WOODEN CLOGG (AL A In by CultiIEnglish subtition). Dally at 2.30 and 7.15. Sundays at 3.40 and 7.15. Sundays at 3.40 and 7.15. Sundays at 7.45 are of film and a rewarding experience. LENCESTER SQUARE TNEATRE, 930 S252.
THE MUPPET MOVIE IUI, 500 props, Ov.
200, 535. B.30. Sears bible in advance
for 8.30 cros. Monafri.
ODEON LEICESTER SQUARE, 930 8111.
THE LADY VANISHES IA), 50p. props.
Wiss. Goors open 1.45, 4.45. T.45. Al.
20051. Dichole in advance at Sea Office or by ODEON MARBLE ARCH W2 (723 2011-2)
THE SNAPE OF THINGS TO COME IALSEO. DETS. Wk. doors open 2.00: 4.45.
7.45. PRINCE CHARLES, Leic, Sq. 437 2161.
Dostin Hoffman, Venessa Recognic AGATHA (Al. Sep. Ports, delty tint. 50n. 12.40, 3.10, S.SS. 8.15. Lete Licensed Bar.

3300 2 and 4, Oxford Chara Mil

3100.
2 (Aganha Curistie's DEATH ON THE NUE IA). Prop. 2.30, 5.25, 5.76. Law Show S.t. 10-20, 2.30, 5.25, 5.76. Law Jan. 2.50, 4.25, 5.76. Law Jan. 2.50, 4.25, 5.40. Law Section Sec

المستذامند للصل

هكذا منالعل

FINANCIAL TIMES SURVEY

Tuesday June 5 1979

Bahrain has successfully diversified its economy away from oil, which is slowly running

out. Its internal stability depends on providing gentle economic growth, housing the

poorer Bahrainis and making sure there are enough suitable jobs to go round.

The dhow harbour at Muharrao

Future skills

By James Buxton

BAHRAIN IS the unly Arab island State and bas the best of two worlds. It has the atrong eparate identity and self-eliance of an island but it also as the benefit of being part of group of nations with surplus o-operation.

Bahrain is friendly, tolerant "ligind open, and in places lush ind pretty. If makes these stributes a stock-in-trade for hose who find It heavy going in he unwelcoming austere and surface and world of the Nahhabi Moslem fundamen-alists in Saudi Arabia, less ban 30 miles away. Yet Sandi trabia does not disapprove: it s keen to belp Babrain and conomic ties with its litte Bahrain shot

Bahrain has the kind of ivilisation that comes from shing and pearling; the sophis-:alural to a trading community; nd the degree of diligence ecessary in a place where oil, erst produced before World II, is gradually running ut. Though there are jobs that ahrainis now leave to the preigners who make up at least third of the population, they o get their hands dirty with

such more slowly than ils eighbours and so is in some

pendent on their economics. As has made a virtue out of co-nperation with Saudi Arabia in its chief non-oil industriat venture, the gas-powered alu-minium smelter ALBA, and so finance its expansion while sharing in a future smelter on the Saudi mainland,

relations with other Arab States were the reasons for its being chosen as the site of the Organisation of Arab Petroleum Exporting Countries dry dock. now in its second year of opera-

But in a part of the world where viable industrial projects are hard in come by Bahrain ia moving more deeply into services, especially as a financial centre. It decided to make mnre than its neighbours of the absence of taxation and as a tax haven has profited considerably from the growth of offshure banks since 1975, and bas followed this success by starting to regisler companies exempt from the usual conditions of having majority stakes

Bahrain should be in an even better position to market lts skills when, as seems almost Joined to Saudi Arabia by the construction of a causeway across the sballow waters that divide them. The causeway was promised early in the decade by the late King Faisal of Saudi Arabia to bind the twn States whose ruling families, the Saudis and the Khalifas, are Bahrain after the Shab of Iran finally gave up his claim to the island in 1970.

The project has been so long e which is growing richer talked about, with only slow more, slowly than ils progress being made lowards its pours and so is in some implementation, that it has bebecoming more de gun to lose some of its glamour.

Bahrain's geographical posi-tion, relatively skilled labour furce, modern infrastructure,

the output from Bahrain's nwn small oilfield declines the revenue it obtains from its half-share of a field with Saudi Arabla assumes greater importance. It obtains relatively small quantities of aid both from the Kingdom and from Kuwait. It is getting Sandi Arabia to help

evaluating the prequalification bids for its construction and it seems quite likely that work will start next year, with com-pletion in about four years.

In many respects this is a bizarre project. The cost will be borne by Saudi Arabia, and figures of between \$500m and Sibn have been mentioned, high because of the need to build several miles of bridge to prevenl the sea between Bahrain certain, it becomes physically and Saudi Arabia silting up. To an outsider it seems that a good ferry service like the crossservices England and France would suffice for the traffic that can be generated by two relatively small populations. Considering two States' desire for closer links it is related. It was a gesture in curious that a proper vehicle assert the Arab identity of ferry service has not been created already. There is only intermittent traffic by dbow — while it has taken a long lime for the air services to become fully adequate for the traffic. Bahrain of course will benefit enormously in economic terms

boost from weekenders streamworkers will be able to commute daily from Bahrain to Saudi Arabia. It is less clear wbat economic benefits Saudi Arabia will get out of it in proportion to its cost, and much depends on what restrictions are placed on the use of the causeway and on the relatively tolerant attitude

to such things as alcohol and T-shirt competitions in In fact some limit on the use of the causeway might be welcomed in Bahrain where no one wants be swamped by visiting Saudis. And the Government certainly does not want to see a sudden explosive boom of the kind that racked the island and enriched many people in 1975

The boom was an important reason why Bahrain accepted fairly calmly the suspension of the constitution and the dissolution of the National Assembly in August 1975. With its relafrom the scheme, and hopes

But now the World Bank is that its hotels will receive a 1960s, and it was to satisfy discontent that the present ruler, ing across from Saudia Arabia's Sheikh Isa bin Sulman al Eastern Province, and even that Khalifa, established the assembly in 1972, Much of the opposition was directed against the dominant British position in Bahraln, so when Britain finally left in 1970 and pulled out of the Gulf completely the following year it gradually became clear that a major focus of opposition had gone.

Since the dissolution of the assembly—which had turned out to be, at least in the Government's eyes, an unruly and Bahrainl politics have seemed more tranquil. Yet the island's population is not bomogenous and there are considerable underlying tensions which occasionally surface. The majority of the population, erhaps 60 per cenl, are Shia descendants of the original In-habitants of Bahrain, but others are Persian Immigrants

of different vintages. The Khalifa clan, numbering bad been a place of vigorous others, Sunnl. With some expelitical activity and trade union pressure during the 1979.

Khalifas, who Babrain from mainland Arabia Babrain from manning in the mid 18th century, as newcomers. The revolution in Iran has demon-strated to the Shiites what can he accomplished, and with its many Persian groups the fear of a spillover from Iran has become a major concern of Babrain's Government, even though a march in support of Ayotollab Khomeini last February was something of a

(Photographs by Terry Kirkl

Yet with its efficient pulice the Government seems to be under control, while those memhers of the banned Popular Front for the Liberation of Oman and the Arablan Gulf keep their sympathles quiet, handled tactfully. Many leaders of political opposition are now either In government or doing well in business.

But above all there are simply not the grievances that were the undoing of the Shah. The ruling family is not particularly extravaganl, and there are few if any prestige projects and white elephants: the Government pressure during the 1950s and commanding positions on the improve things in Bahrain hy

spending on the infrastructure and building up a good, well-run welfare system.

Industrial dispules usually headed off by prompt action by the Ministry of Labour and a system of councils in workplaces have taken the place of the trade unions. Labour legislation strongly favours the workers (it is very difficult to sack someune) and to obtain his entitled benefits the worker must go to the

But there are two key areas here more Government action is needed. The first is housing, The boom lcd to an enormous upsurge in building villas for expatriates, but housing for the poorer people provided by the State failed to keep up. The private sector overbuilt and the result is that there are about 1,000 empty luxury houses all over Manama, their owners still holding out for a rent very few Bahrainis could pay, while poorer people have to share houses with their relatives at a time when the nuclear family, a mark of Bahrains sophisticabecoming

Government gradually met a higher proportion of its housing targels but it cannot afford to provide houses for everyone—hence the plan for a Housing Bank where house buyers' contributions would be matched with Government funds. Bul lhe bank has yet to become operational, and ben il does it will need to provlde about 2,000 houses a year for a decade.

The other problem is employ ment, which has gradually become an Issue after the boom folded. The recent shedding of staff at ALBA had to be handled tactfully. With more than a third of the labour force non-Bahraini II is a question of providing the kind of jobs that match the skills of the Bahrainis.

Recently the Minister of Education admitted that the education system in Bahrain BASIC STATISTICS

256 square miles Population 341,000 (est.) Trade (1977) Imports BD 803m Exports BD 730m Imports from UK £114nz

Exports to UK £13.7m Trade (1978) Imports Exports BD 734m Imports from UK £120m Exports to UK £34.701

Currency = dinar £1 = BD 0.786

Bahrain or in Saudi Arahia. They had been trained largely emphasis in Bahraini jobs is in such fields as engineering, accounting, foreign exchange dealing and computing. Many Behrainis have been losing the command of English they established at an early age by long stays at Arab universities. The problem applied to only 300 or 100 people, but in Bahrain ternis that is a significant number.

The Government is studying the problem and trying to co-ordinate education planning with lahour needs, while trying to encourage people to think more broadly about the kind of jobs they will consider doing. The fact that the Government cannot afford to give people sinecures is a good discipline in the labour market

As an island trying mercas ingly to make its living in the world on the strength of its tolerance and open-mindedness Bahrain feels uneasy having, as an Arah State clusely tied to Saudi Arabia, to impose the Arab boycott on Egyot, Bahrain has hroken diplomatic rela-tions with Egypt though it has made it clear that individual Egyptians will still be welcome in Bahrain. The Egypt-Israel peace treaty issue has brought was producing people not Bahrain into uncomfortable always suited to the kind of prominence in the Arab world work available, either in and the expressions of salisfac-

CONTINUED ON NEXT PAGE

Bahrain provides one of the most sophisticated telecommunications services in the world.

Internationally

The superb international communications available in Bahrain are one of the major reasons for the State's pre-eminence as an offshore banking centre and base for fast-growing industrial enterprises.

The earth station which Bahrain International Communications has been operating for overten years was the first of its kind in the Gulf. It provides voice.telex, telegraphy and facsimile links worldwide.

A second earth station will become operational in 1980, and there are already direct dialling facilities to the United States, most of Europe and the Middle East, Japan, Singapore and Hong Kong Soon Australia, New Zealand, Korea and Thailand will be added to the list.

Other services about to be introduced are IDAS—giving access to the huge data banks in the USA. And Bureaufax—a bureau which will provide international facsimile services. The company also leases circuits to banks, airlines and many other concerns which give superfast international telegraphy links, as well as ship to shore telecommunication facilities.





Nationally

Bahrain's national telephone service is growing rapidly because of rising demand.

An investment programme is well under way to increase the size of the existing telephone system. A computer-based digital exchange plus a number of other new exchanges are being installed to meet existing and future requirements.

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A further example is the cartelephone service. It enables a subscriber to dial many parts of the world, and of course any part of Bahrain directly from his own car, without operator assistance.

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Brighter prospects on the horizon

THE ECONOMY

JAMES BUXTON

EVER SINCE the great Gulf boom into recession in 1977 Gulf State governments and businessmen bave been on the lookout for the first sign of significant recovers. Rather like Noah and the dove he sent out from the Ark, Bahrain believes it has spotted dry land at

No-one in Bahrain is looking to a repeat of the 1975-76 boom. Construction activity on that kind of scale, which led the upsurge, is virtually unrepeatable because even if there were another multifold increase revenue there would be little left to build. Nor do the Government and many other people really want the searing experience of another fierce boom with its attendant inflation and congestion. As Mr. Yusuf Shirawi, the Minister of Development, says: "Babrain lost its bead for two years." (Bahrain's neighbours old too, mostly on a grosser scale.)

What Bahrain wants, and is beginning to experience, is a return to a more "normal" gentle expansion of the economy. The boom, caused by the effects of the 1973-74 oil price rise on Bahrain and particularly on its neighbours, caused a dramatic increase in imports, was assisted by greatly increased Government spending which went largely into improving the infrastructure, and saw tremendous upsurge in private-sector construction both of offices and homes, in response to the drastic shortages caused by the boom and by the sudden influx of bankers as Bahrain became an offsbore financial centre.

When the boom collapsed as Government projects were com-pleted and liquidity dried up, land values and rents came down, with office and apartment rents down about 50 per cent and bousing down 35 to 40 per cent: Inevitably many of the banks were left with bad debts on property loans, but in general they tended not to foreclose on their debtors and thus precipitate a chain of bankruptcies. Rather bave they left them to work out their positions gradually, and while this process is far from complete there are signs that the increase in the money supply this year will, at around 10 per cent, be a little above last year's rise of 8 per cent. (In 1976 it

Increase

Now letters of credit are showing an increase (imports actually dropped fractionally last year); there are signs of an upturn in air freight traffic; some small new industrial de-velopments are going ahead; and there are said to be signs of a slight reduction in the vast choice that faces the prospec-tive tenant seeking offices or somewhere to live (even though many rich Babrainis, either for atavistic reasons or for their own use, are still putting up new villas).

After some deficit financing during the boom, when the Government spent heavily on improving roads, power supply, water and sewerage, the Ministry of Finance has now achieved financial stability with a balanced two-year budget covering the years 1978 and 1979. Yet the direct benefits to Bahrain of this year's oil price escalation will be proportionately less than for its oil-producing neigh-bours. Because of the diversification of the economy oil now accounts directly for only about 55 per cent of Government revenue; its own Bahrain field is slowly declining by about three per cent a year (ontput was about 51,000 b/d in the first three months of this year); and though Bahrain bas naturally benefited from higher prices here its other main source of income, its half sbare with Saodi Arabia of the Abu Safa field, is subject to the Saudi decision not to impose surcharges on the price. On the other band the government is also getting more revenue from more effective collection of fees

Gulf o i Bahraia AL'AWAR Gulf

the previous year, but the rise out of a total anticipated original cost of the investment dropped to 17 per cent in 1977.) revenue of BD 280m for the two- in four years. year period was expected to come in grants and loans). Mr. Abdullah Saif, Director-General of the Bahrain Monetary Agency, says that domestic borrowing, possibly in the form of development bonds, will still be necessary. So far there are no plans for increased

840

UWAR ISLAND

30

Bahrain's economy is the most sophisticated in the Gulf. It bas successfully diversified away from dependence on oil and bas done much to maximise value-added oo its hydrocarbon production.

All Bahrain's oil production, boosted by input from Saudi Arabia, is exported in the form of refined products from the 250,000 b/d refinery—the big-gest on the western side of the Gulf. The Government takeover from Caltex of a 100 per cent stake in BAPCO instead of the existing 60 per cent is now being finalised, though it will add only a few million dollars to Babrain's revenue. The refinery, which requires considerable preventive maintenance a year, is not being nationalised. To extract the maximum output from the Bahrain field a study of a tertiary recovery programme is being considered. Now the Government bas

gone ahead with a natural gas liquids (NGL) project to process the associated gas brought up with the oil each year produce some 250,000 tonnes of propane, butane and natural gasoline. The \$86m project should be in operation by December and is 75 per cent the Government owned hy the Government through the Bahrain National Oil Company, with the rest divided between multi-State and charges.

The effect of this year's price operator, which has signed a increases should be to make it possible for the Government to balance its budget without redevelopment of other such

Bahrain has oon-associated

Babrain

gas reserves in the deep Khuff zone, and while part of these are used for oilfield injection, electricity production and the refinery, one-third of the 330m cu ft output meets the energy requirements of the aluminium plant, ALBA. The latter was one of the first heavy industrial projects in the Golf and after a difficult first few years has class beds will double again dur-been truly profitable for the ling the coming year). Yet depast two and is riding high on good world prices with a turn-over last year of about \$150m.

Nnw Sandi Arabia, through the Saudi Arahian Basic Indus-tries Corporation (SABIC), is tn take a 20 per cent stake in it. The main objectives of the deal appear to be to expand ALBA at a cost of BD 45m and facilitate Saudi Arabia's construction of its smelter, a project in which Bahrain will bave a stake and contribute hard-won knowhow. Like the smelter under construc-

all being dependent on the world market.

The other major element in Bahrain's industry is the Arab Ship Repair Yard (ASRY) which opened in late 1977 and has operated at about 90 per cent of its capacity ever since. The highly impressive complex role as an entrepot trading to repair supertankers symcentre bas declined as other bolises Bahrain's success in Gulf Slates have improved their attracting intra-Arab projects on the strength of its labour force and its good infra-

structure.
The fact that the yard does not operate et a profit is of less concern to Bahrain which is

But Bahrain does not envisage course to grants from Kuwait plants in the region Bahrain undertaking any new industrial

fields in which even this most campetitive of Gulf States has a comparative of coin states has a comparative advantage and of the dangers of being swamped by the schemes of its neighbours. There will be downstream development from the existing industries—into more than more than the manufacturing. light manufacturing using aluminium, for example—and co-operative ventures with Saudi Arabia, founded oo tho warm relations between Mr. Yusuf Shirawi, the Development Minister, and Dr. Ghazi Al-Gusaihi, the Saudi Minister of

Industry. Currently the emphasis is on developing Bahrain as a service centre for the Gulf and the centrepiece of this strategy is the offshore banking units (OBUs), of which 50 are in operation since the start of the operation in 1975. The OBUS benefit from the rigidity of hanking regulation and practice in Saudi Arabia and Kuwan as well as being part of the international network of financial centres, conveniently placed about half-way between Singa-

pore and London. The OBUs do not handle much of the oil States' official surpluses but rather the surplus of the private sector of the region to the tune of nearly \$12bn last year. The OBUs are effectively unmatched by any competition in the region and although their growth has now slowed down in terms of the number of new hanks, the assets handled stood at \$23hn at the end of last year, more than in Singapore.

Commerce

The OBUs provide commerce and cuiployment for Bahrain both directly and indirectly, benefit the balance of payments and have led to other financial operations getting underway. A follow up development was the registering of offshore or exempt companies (ECs), a system whereby companies can register in Bahrain without needing local participation, but also without being allowed to compete in the local market. This enables them to use Bahrain as a tax-free base for their operations, usually in Saudi Arabia, with a more respectable place of registration (in Arab eyes) than some of the olher tax havens.

But to make the operations worthwhile from the Island's point of view the ECs have lo operate a genuine headquarters in Bahrain and employ staff there. The ECs, which began in 1977, bave been slower to catch on than the OBUs but about 25 have so far been established.

Bahrain Is promoting itself as a service centre with exhlbitings and conferences, designed initially to fill the excess capacity caused by the hotel boom (the number of first ing the coming year). Yet despite being at an aviation cross-roads and being fractionally cheaper than its neighbours in dollar terms (having not revalued its currency so fast against the dollar) there are limits to how far Bahrain can

develop as a place for visitors.

The air fares are too high Dubai has better exhibition and conference facilities and for tourists the island is pleasant but bardly a paradise. Bahrain seems content to offer visitors from Saudi Arabia a more tion at Dubai the two smelters pleasant environment, a greatly will not be in direct competition, superior degree of friendliness

and free access to alcobol.
Already Bahrain's invisible earnings cover its deficit on the trade account (which last year stood at BD 58.6m on imports of BD 791.6m). Yet the pattern of Bahrain's trade has changed in the past few years and its centre bas declined as other Gulf States have improved their port facilities. Last year Bahrain's re-exports to Saudi Arabia fell by a third to BD 32m.

Yet it is with Saudi Arabla's Eastern Province that Babraio is destined to become most concern to Banrain which is only one of seven shareholders in it (with a 19 per cent stake) than the fact that it employs 1.400 people, about a third of them Bahrainis, and has a major training function. Its repair shops could be an asset to the island's industrial capacity.

But Bahrain does not envisage is destined to become most deeply involved. The plan for building the Saudi-financed to become most deeply involved. The plan for ausseway now looks as likely to go abead as it ever bas been, and could even be under construction within a year. Its effect on Bahrain'a economy when it is complete; which hould be within four years. should be within four years of starting, depends on how freely it can be used, but it should benefit all the elements in Representations. should benefit all the elements in Bahrain's existing economy by giving them better access to the biggest market in the peninsula, enable some of Bahrain's imports to come in relatively cheaply by road and enable Bahrainis and expatriates living on the island to work in Saudi Arabia.

But as Mr. Yusuf Shirawi says, the causeway is an oppor-

says, the causeway is an oppor-Says, the causeway is an oppor-tunity to be exploited, rather than to initiate any development itself. It will, bowever, provide a considerable economic boost while it is under construction and should help take up some of the slack in the property market. Bahraini merchants are quietly looking forward to it, but with o caution inevitable for a project that has beed talked about so long and almost discounted in advance.

CONTINUED FROM PREVIOUS PAGE

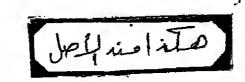
A major cause of contention between Bahrain and its fellow Arab States used to be the existence of a small U.S. naval base on the island. The agreebase on the island. The agreemeet for the use of the facilities was abrogated in 1977 and
officially the U.S. now has the
same naval refuelling rights on
Bahrain as any other navy,
though there is still a small
number of U.S. Navy personnel
In what is called the Admiral's

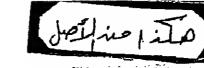
phone book entry for the U.S. Commander Middle East.

Yet if Bahrain justifiably pre-sents a cosy appearance with its way of life preserved in the

tion with its attitude that it has received from Iraq are sending shivers down a few spines.

support unit, using transport oil does, while increased noney unmartial reliance on the oil and money of others may reduce freedom of others may reduce freedom of action. In a part of the world where costs are high there is a denger that Bahrain may not have the competitiveness it will later find essential.





ect Modest optimism after a quiet year

ANKERS IN Bahrain are king a positive, if not overthusiastic view of business rospects for the rest of 1979.
"Sound but quiet" was one rdict. There is general agreeent that the real upswing in conomic activity will come not us year, but in 1980 or later, ith the award of contracts for e Saudi-Bahrain causeway.

der way—and many people e adopting a wait-and-see titude towards this costly pro- harder to obtain than loans. ct—the impact of the cause-ay on Bahrain will be as much vehological as economic. But renewad business con-lence must not be allowed to

t out of hand, a leading local -inker warns—"Banks will have be very careful not to nerate speculation by poor nding practices, such as curred in the 1974-76 real tate scramble."

The effects of those illvised loans are still evident, th nearly 40 per cent of all ading committed to the con-uction sector. A few uction sector. A few rrowers can barely keep up th the interest payments, and ve no prospect of repaying e capital. Their other busiss interests have suffered cordingly.

evival

The Director-General of the hrain Monetary Agency, Mr. dulla Saif, bopes to see a dest revival in the coming ...nths, after a year in which ok lending to the private for increased by only 5 per He bases his optimism

Government intervention in port of the housing pro-imme, through the establish-nt of a \$100m Honsing Bank. i the private sector's new lingness to invest in local

ht industries.
Two projects for the manufac-e of welding electrodes and niture are together worth arly \$12m. Also coming up s year is the \$120m expansion the aluminium smelter, for ich contracts will be out in

'Bank lending will certainly rease, up to 10 per cent above t year," Mr. Saif said. "This

cosit rates (to 8 per cent for a pinch of salt.

month money, 81 per cent it is clear, however, that in one year) aims the encourage terms of profit the two re investment in local cur-

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BANKING

MARY FRINGS

are around 2 per cent higher. Banks are finding deposits First quarter 1979 returns

from the 19 commercial banks in Bahrain (Al-Ahli Commercial Bank opened at the end of December, and so does not appear in the 1978 results) show advances and credits rose by 3 per cent and the money supply (M2) by 2.887 per cent. Trade showed an apparent upturn with contra accounts — letters of credit and guarantees—up 6.7 per cent. But with world inflation running at higher levels than this these figures are hardly encouraging.

Government spending remains static, and in real terms is lower than last year. While tight fiscal control has not made the contracting industry very bappy, a senior American banker declares himself to be fond of governments dedicated to a balanced bndget."

Statistics just released by the Bahrain Monetary Agency show that while the commercial banks varied considerably in per-formance during 1978, the overall profit of BD 10m (\$26m) remained virtually unchanged. The two locally incorporated retail banks, National Bank of

retail banks, National Bank of Bahrain (NBB) and Bank of Chicago, which ranks among Bahrain and Kuwait (BBK), held 55 per cent of the assets and made 44 per cent of the total profits — which would seem to leave only a small share of the cake for the remaining to seek quality rather than immediate profits. 16 banks.

They also did one-third of the BD 216m (\$560m) letter of credit and guarantee business, and banded out 49 per cent of

BBK is rather a special case in that its consolidated accounts include OBU; items and also its branch in Kuwait, which after l have a multiplying effect nine months in operation made liquidity." His forecast is sheet. Other anomalles in a 15 per cent growth in reporting procedure, and the lidity—higher than last different objectives of retail and wholesale banks, require that one third of the balance t recent increase in dinar the figures should be taken with

When construction does get rency, even though dollar rates Citibank, made a spectacular recovery. Grindlaya more than doubled its earnings but in most cases increases were modest: NBB attributes its own uniospiriog 1.1 per cent profit growth to a 9 per cent decrease in lending during 1978, narrower margins in the money market and higher operating

> Nevertheless, its total assets rose by 23.9 per cent, and operating results for the first three months of 1979 show a 16.8 per cent increase in net profit over the same period of 1978.

BBK were 13.4 per cent down on 1977, and British Bank of the Middle East's profits fell 25.9 per cent. The Iranian Bank Melli had a disastrous year—and it was a surprise to see Bank Saderat Iran doing so well. Paris-Bas dropped 70 per cent, possibly because some business was transferred to the OBU. Continental Bank, now in its third year of operation, bas still not reached break-even

point, Incorporated in the Cayman Islands with its administrative beadquarters in Bahrain, Continental ls a joint venture between Bahraini interests and Continental Illinois National Bank and Trust Company of to seek quality rather than immediate pro6tability. At present, the venture's

operating cost-ratio is the highest in Bahrain (5.35 per cent of average assets), whereas net interest earnings (2.39 per cent) and other income (0.9 per cent) total only 3.29 per cent. Both the local banks have nndergone a period of rampant growth, with all the onerating problems that entails, Although was established ?? years ago. NBB was until 1974 a small domestic concern with assets of no more than BD 32m

By the end of 1976 assets had increased five times without any change in the way the hank was run. To put the whole operation on a sounder footing. a restructuring of management was required. together with an lnjection of people from outside the bank who had both nractical and academic training in banking.

Oldest

Over the past two years new departments have been set up and developed, and an in-house training programme has helped to attract and retain qualified Bahrainis. The re-organisation is now complete, and NBB says it looks forward to an aggressive marketing year with a loan growth target of 12 per

cent.

BBK has grown to second place in the space of seven years, and is now introducing more American systems and embarking on a programme of computerisation. It plans to open three new branches in Bahrain this year, and the establishment of the Kuwait branch last spring may soon put BBK ahead of its nearest competitor in terms of size.

The third locally-owned retail bank. Al-Ahli Commercial Bank, bas made a promising start and with 22,000 shareholders is assured of widespread support. It was launched with a capital of BD 2m (\$5.2m) and has since called in an equal amount.
Balance sheet funding after
four months of operation was
BD 18m (\$47m), with a target of BD 30m hy the end of the year. The loan target is BD 20m. with a strong portfolio in trade but only selective involvement

in real estate.

Despite its small size and lack of track record, Al-Ahli has been able to gain acceptance in the international market because of its technical assistance contract with Bank of America.

The Bahrain Islamic Bank is expected to open in the second half of the year. Its authorised capital is BD 20m (\$52m), with one quarter already paid up. Bahrain's Ministry of Justice and Islamic Affairs, the General Fund for Social Insurance and a group of 125 Bahraini merebants each hold 10 per cent of the equity. At least another 30 per cent is held by various cial interests in Kuwait, and 5 per cent by the Dubai Islamic Bank.

Although usury is against Islam, profiting from investment is not. Success depends on the business actimen of the investment committee, since the bank shares the risk of any project

it helps to finance.
The Housing Bank, also due

to begin operating this year, bas an authorised capital of BD 40m (\$104m). The Government has pledged BD 75m to housing over a three-year including an initial BD 15m in capital for the bank. Its objectives are to make loans to citizens to build their own homes; to give credit for tha construction of resideotial or commercial buildings; and to encourage the local manufac-ture of building materials.

Although the national insur-ance companies in Babrain do not hold quite such a dominant position as the national banks, their importance is growing rapidly with the securing of such accounts as Gulf Air, Banoco (Babrain National Oil Company) and Balexco (tbe aluminium extrusion company).

Training

Of the three general insurance companies—a fourth con-centrates on motor business -the oldest is Babrain Insurance Company, founded in 1969 with a one-third interest beld by the State Insurance Organisation of Iraq. Its annual premium income is now over Company Law, which makes no BD 2.2m and despite a couple of expensive fire damage claims last year, the company made a have offered shares for public per cent up on 1977. It has basis. branches in Dammam (Sandi A Arabia) and Dubai.

Al-Abila Insurance Company, which is totally Bahraini owned, was established in 1976 with an authorised capital of BD 1m. per cent in 1978 to over BD 1m, ture.

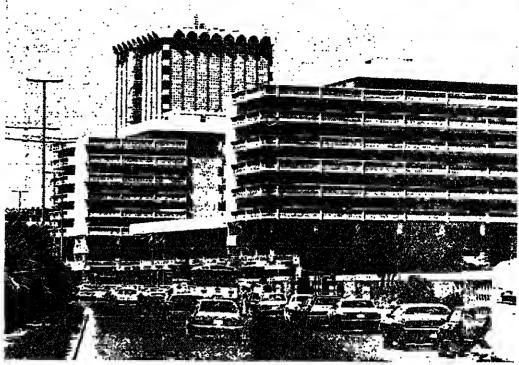
and profits of BD 171,000 represented a 90 per cent increasa over 1977. The company recently opened a branch office in Al-Khobar in Saudi Arabia. Al-Ahlia is the servicing office representing the consortium of national companies of the four shareholding states in Gulf Air; it also leads on behalf of the Bahrain national companies in the two local industrial con-

tracts. Bahrain Kuwait Insurance Company opened with a capital of BD 1m at about the same time as Al-Ablia. It bas a 40 per cent Kuwaiti shareholding which the company hopes to in-crease to 50 per cent in order to open a branch in Kuwait.

However, it is believed that Warba, the only Kuwaiti insur-ance company not already par-ticipating in BKIC, has declined

the invitation to buy in. While this Bahrain based company hankers after the Kuwaiti market, there is a growing move-ment in the other direction. The Pearl Investment Company and the Arabian Development Company are the first two Kuwaiti institutions to obtain registration under Balirain's Exempt profit of BD 306,000, nearly 40 subscription on a Gulf-wide

A number of Kuwaiti com-panies have applied to go off-shore from Babrain. They include a major promoter of iodustrial and agricultural pro-jects, several firms in the financial sector and a joint of which half has been called financial sector and a joint up. Premium income rose SS Kuwaiti-Bahraini insurance ven-



The National Bank of Banrain (left), and the Manama Centre building

BAHRAIN COMMERCIAL BANKS PERFORMANCE IN 1978

† Assets			D million	% Return on
BD million	Bank	1978	1977	arctage assets
231.575	National Bank of Bahrain	2,924	2.892	1.40
222.082	Bank of Bahrain and Kuwait*	1.568	1.790	0.90
90.586	Chartered Bank	1.645	1.196	1.91
62.177	British Bank of the Middle East	0.707	0.954	1,111
51.173	Citibank	0.549	0.097	.11.97
38.180	Bank Melli Iran	0.166	0.905	0.43
21.005	United Bank Limited	0.470	0.430	2.24
15.368	Bank Saderat Iran	0.478	0.277	3.02
14.841	Arab Bank Limited	0.185	0.173	1.42
13,175	Grindlays Bank	0.236	0.105	2,115
10.351	Banque de Paris et des Pays-Bas	0.295	0.GS5	1.24
10.140	Habib Bank Limited	0.235	0.192	2.45
7.393	National Bank of Ahn Dhahi	0.151	0.087	2.39
6.861	Algemene Bank Nederland	0,121	0,077	1.39
6.123	Continental Bank	(0.106)	(0.137)	(2.06)
5.759	Chase Manhattan Bank	0.389	0.003	
5.366	Rafidain Bank	0.119		6.00
4.002			0.152	2.08
4.002	Banque dn Caire	0.140	0.127	3.50

Including items classified under Offshore Banking Unit.

Net profits for locally incorporated banks are shown after provision for had dehts, while those of branches of foreign banks are shown hefore this provision. Assets do not include contra BD 0.384 = U.S.S1

Bahrain Encompassing the Economy of the Gulf

Bahrain's commercial and financial activities encompass the Gulf. Since the Dilmun civilisation of 3,000 B.C. the island nation has been a major trading base. Today, Bahrain continues the role.

New companies, setting up in Bahrain share the unique advantages of the country's excellent geographical position — sophisticated telecommunications systems — world-wide airline services — political stability — expatriate social amenities and well regulated commercial laws.

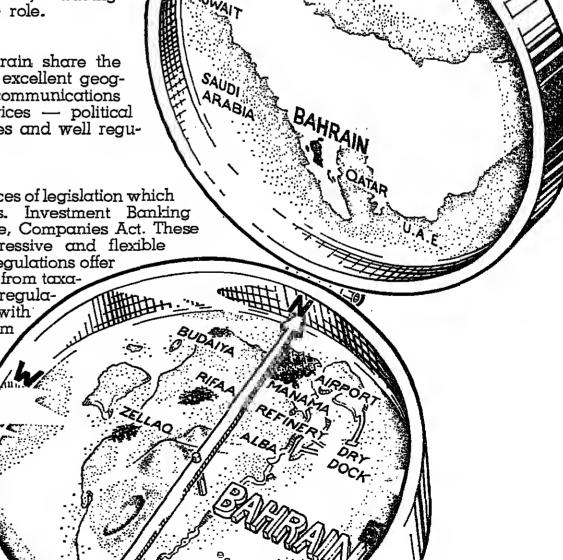
Now Bahrain offers two additional pieces of legislation which will encourage further companies. Investment Banking Licences and the Exempt, or Offshore, Companies Act. These moves demonstrate Bahrain's progressive and flexible attitude to commerce — both sets of regulations offer substantial advantages with freedom from taxa-

tion, freedom from local ownership regulations, and in some cases assistance with subsidised land and freedom from import duty on capital equipment.

Bahrains' Ministry of Commerce and Agriculture handles each licence application on an individual — rapid — basis.

Companies establishing offices in Bahrain will join a thriving community. An Offshore Banking Industry including over forty major international banks, with local assets in excess of U.S. \$20 billion, four hundred and fifty commercial companies engaged in activities diverse as the manufacture of mattresses or aluminium cabling to the repair of massive turbines from all over the Gulf.

For further details of these new "Offshore" licences, and more information about joint ventures or sponsorship for business in Bahrain, write to the Ministry of Information, Box 252, Bahrain.







OFFSHORE BANKING

JOHN TOWNSEND

banking experience has been highly successful so far, and, given the maintenance of the principles and rules which governed its establishment and light of international banking, which have controlled its operaand so the offshore banks represented there have ensured that tion, there is no reason why this record of achievement their local management is of top international quality. The should not continue. lime for the international bank-But the euphoria and confidence that success has brought ing community to start worry-ing about the Bahrain offshore might mask these principles and rules. The most important principle in the original OBU market will he when the BMA starts issuing licences to new banks set up with local or regional funds expressly for the conception was that only banks with established international

reputations would be licensed purpose of entering the market. In addition to the great care it exercises in issuing offshore to operate offshore in Babrain. So far this rule has not been broken; the "instant banks" licences, the ageacy watches of the Lower Gulf, set up in the boom conditions of 1975 OBUs carefully to ensure that they do, in fact, always meet their obligations. In addition to formal monthly returns, in a and 1976—sometimes without adequate resources and pro-fessional management, and small community like Bahrain, without reputations—bave no the BMA management is able to place in Bahrain. keep well-informed on most important deals. This continuing insistence on

quality is the best control that the Bahrain Monetary Agency (BMA) cao exercise on the off-This is not to suggest that the Bahrain off-hore market invariably operates calmly or wilnout problems. It is, of shore banking operations in Bahrain. Banking, like most business, is a matter of conficourse, vulnerable to political squalls and storms in the Middle East, to the actions of other dence. Banks with established international reputations cannot governments and other central afford to take on husiness which banks in the Gulf and the might give rise to a risk that Arabian peninsula, to move-ments of the dollar, and they would be unable to meet their obligations. especially to the fact that the regional currencies in which it

1978

17,947

4,786

11.666

7,018

1,850

1.016 1.891

6.720 1.262

5.078

7,420 6,101 3,599

881 174 197

23,441

708

CFFSHORE BANKING UNITS

2,578 2,277 923 222 214

1,169 574

Liabilities (U.S.\$m)

418

8,254

4.995 1,538 493 419

11.268

3,567 866

6,224 3,50G

504 53 97

Again, Bahraln is in the lime-

Banks

Non-banks

Other accounts

Arab countries

Western Enrope

Offshore centres

Regional currencies Other

8 days to 1 month

Other accounts North America

U.S. Dollars

Up to 7 days

I to 3 months

3 to 6 months

Over 3 years

5 to 12 months

12 to 36 months

Total:

BAHRAIN'S 50th Offshore Banking Unit—Bank Bumiputra of Malaysia—was opeoed for husiness in April. There is no doubt that Bahrain's offshore

conducts ahout a quarter of its business (the Saudi riyal, the Kuwaiti dinar, the Qatarai rial, the UAE dirham and the Balirain dinar) are themselves not firmly established as international currencies.

In fact, the business in regional currencies probably gives most Bahrain OBU managers rather more worry than other established International

Linked

The supply of these regional currencies is directly linked to the spending of the governments of Saudi Arahia, Kuwait, the UAE, Qatar and Bahrain. If these governments du not spend the dollars that they receive for their oil exports at the same rate that the private sectors in these countries is needing local currencies to pay for imports, then there can he a shortage of the currency concerned. In other words, as one Bahram OBU manager put it, the regional currencies market lacks depth.

It is unthinkable that the Eurodollar market, for example, could ever run out of dollars,

Assets (U.S.\$m)

1977

3,705

7,065

3,903 1,888 2,376

11,594 3,241 866

2,259 4,180 3,538 2,850

826 811

1.237

15,701

518

1976

1978

6,166 870

5,301 2,971

277

16.031

6,075 1,335

2.793

5,846 6,598 4,236 1,152

1,112

1,710

23,441

but quite conceivable for the Bahrain offshare market to run out of dirhams, or Saudi rivals. So far, this has not happened. hut it is an ever-present con-cern to Bahrain OBU managers. as is their consequent concern ahous matching all their shortterm regional currency liabilitics with appropriate regional assets.

A shortage of currency was behind the small storm which hlew up in offshore Bahrain 21 the end of 1978 and continued into the first months of this

vcar.

The storm started with President Carter's package for the support for the dollar. announced on November 1. This had the effect of strengthening the dollar and in turn caused Gulf oil producers to leave relatively more of their money in dollars, a trend reinforced by nervousness in the region because of the situation in Iran, and by the general downturn in government spending in the

region.
As a result, of course, governments did not release regional currencies into the market at a rate matching the demand. Short-term rates accordingly rose sharply, and a considerable volume of Kuwaiti dinars was attracted to Bahrain, much to the annovance of the Central Bank of Kuwait.

The Kuwaitis retaliated by adjusting their definition of the liquid assets of the commercial In other words, the Central Bank ruled that all deposits of up to one month were to be regarded in future as liquid and were to be kept in Kuwait.

This action caused a certain amount of anger, with bankers in Bahrain complaining that the Kuwaltis were trying to put them out of business, and Kuwaiti bankers asserting that the Bahrain OBUs were making excessive profits at their expense.

Like so many things in the

Gulf, this storm tended in be nver-dramatised; an official source in Bahrain, while admitting the fundamental causes of the dispute, pointed out that nfishore husiness in Kuwaiti dinars in Bahrain did not total more than 4 per cent of the total market. The whole episode could he summed up as growing pains, as central bank governors and monetary agency directors come to understand precisely what a free inter-national market means.



The foreign exchange dealing room at K. P. Martin in Manama, one of the largest dealers in the Gulf

Bahrain worry also about Saudi Arabian pulities and the effect that any sudden change of direction la the Kingdom might have on the availability Saudi riyals. Business in Saudi rivals represents by far the most important part of the off-shore busineses in regional currencles and about 20 per

cent of total business. If the Saudl Monetary Agency (SAMA) were to insist that all original holders of Saudi rivals should deposit their holdings with it and then to ration, at it were. Saudi rivals to the Bahrain offshore market through the Saudi National Commercial Bank (duc to open its Bahrain offsbore branch in May1, liquidity of the Bahrain offshore market could he affected considerably.

Although in the sometimes topsy-turvy world of the Gulf nothing is impossible, it has to he remembered that the Saudis he remembered that the Saudis order of \$1m and that it makes are above all husinessmen and a higher profit of about \$1m, with the oil-producing states of tation should be given licences that in the National Commercial Some bankers say that their like Gulf carning substantial to open olices.

Gulf Riyad Bank (in which the Riyad Bank has a 60 per cent holding and Credit Lyonnais 40 per cent), SAMA has itself a vested interest in the continuing commercial health and profitability of the Bahrain offshore

Although the vast majority of OBUs make a profit after they have been established for 12 months, profit margins are inevitably being squeezed as more international hanks estaboffshore branches in Bahrain. And although husiness in 1978 was substantially up on 1977, the rate of increase has tended to flatten out.

Expenses

market

The BMA says that the average OBU has a balance sheet of \$450m, that its annual expenses are currently of the

profits not quite as much. For oll that, it is difficult to find in Bahrain an established OBU manager who is really worried about his bank's position in the Expenses for OBUs are, of

course, direct foreign exchange earnings for Bahrain. So, in 1978, the OBUs carned some \$50m for Bahrain, not a vast amount when empared to Sandi, Kuwaiti or UAE oil revenues, but a healthy contribution to an economy which is trying hard to move away from being oil based. In fact, the uverall contribu-

tion to the Bahrain economy and the State's foreign exchange earnings are very much greater. For much of 1978 it has, on paper at least, been cheaper to borrow Saudi riyals in Saudi Acabia rather than from the Bahrain's offshore market.

The Balirain offshore market

Many OBU managers in Bank (wholly owned) and the expenses are higher and their financial surpluses, and with a high volume of government expenditure pumping regional currencies into international cir-culation. Now the Arabian peninsulas and the Gulf are moving out of this surplus and, with most major infrastructure projects either complete or in hand, government spending in

the area is tending to decrease: Others make the point that the Balirain offshore market has been (like all such intermediary markets) essentially a market for shurt-term funds, with the implication that the Bahrain OBU experience might itself prove to be a short-term pheno-menon, though a highly successful and profitable one.

There is no reason why this glonmy view should prove to be enrece. One of the strengths of the Banrain OBU market has been, as was pointed out above, the insistence by the BMA that only recognised international

Bankon Grindlays in Bahrain

Grindlays is well established in Bahrain where we provide a wide range of banking services.

Our Treasury Unit provides foreign exchange and money market services in international and Gulf currencies. Our Offshore Banking Unit (OBU) specialises in providing customers with eurocurrency and export finance facilities while our Government Road Branch provides a full range of commercial banking services.

We also have one of the largest branch networks of any international bank in the Middle East with over 30 branches not only serving Bahrain but also Jordan, Oman, Qatar and all seven states of the United Arab Emirates. It all adds up to Grindlays offering the vital indepth local knowledge you need.

So whatever your banking requirements are, you can bank on Grindlays in Bahrain.



Head Office: 23 Fenchurch Street, London EC3P 3ED

Office of the Regional Director, Middle East. Grindlays Bank Limited, P.O. Box 5793, Manama. Tel: 259641 Telex: 8220 MINERVA BN

Main Branch: Grindlays Bank Limited, P.O. Box 793. Manama Centre, Government Rnad, Manamo. Tel: 250805/257687 Telex: 8335 GRNDLY BN

Gulf Treasury: Grindlays Bank Limited, P.O. Box 5793, Managaa. Tel: 258699 Telex: 8723 GRNOBUBN

Offshore Banking Unit: Grindlass International Limited. P.O. Box 20324, Manama. Tel: 254023. Teles: 9254 GILBAH BN

Planning the future as reserves dwindle

BAHRAIN IS one of the oldest oil producers in the Gulf—the first exports began in 1934—but it has only limited reserves. With production falling steadily each year and only limited potential for new discoveries, the State is having to look with increasing urgency at the posibility of improving the rate of recovery of crude oil from its

existing onsbore fields. world through techniques of enhanced recovery as is to be found from new discoveries.

At present about 70 per cent Bahrain's present estimate of the oil in commercial fields 300m harrels of recoverable oil is left in the ground because it is either too difficult or too costly to extract. Given the right conditions and Enancial incentives, the oil industry should be able to improve the recovery figure to at least 40.45 per cent., and in many fields it should do a lot hetter.

Bahrain still has estimated recoverable reserves of about 300m barrels of crude oil, but at present production rates these reserves will run out hy the end of the century. It is the first Gulf oil state to have to face the immediate prospect of dwindling oil output, and as a result was the first country in the Lower Gulf to start diversifying its activities hy developing other industries.

diversifying its activities by developing other industries.

Bahrain has never heen a big oil producer. Output from its onshore fields totalled an average of only 55,300 barrels a day last year, a drop of 5 per and eventually a field can become a procure of the state of the sta a day last year, a drop of 5 per cent on 1977. But crude oil has still heen the linch-pin of the island's economy since the 1930s, when the fortunes of its pearling industry reached the nadir.

Emphasise

Oil production this year has shown anollier fall, however, and in the first three months averaged only 50.900 barrels a day i the equivalent of a small worth Sea field). Output in the first three months are small and the small industry. Is considering techniques such as injecting steam, along with the rest of the world's oil industry. Is considering techniques such as injecting steam. day (the equivalent of a small niques such as injecting steam. North Sea field). Output in the pumping chemical solvents or first quarter was 8 per cent carbon dloxide into the down on the same period last reservoir, or even the controlled

The steady fall in production ground to loosen the oil. emphasises the importance of The costs of oil produced in the study commissioned last this way will be much higher of condensate, started only the study commissioned last this way will be much higher of condensate, started only the Government but a concerted ex-

KEVIN DONE

OIL

enbanced recovery techniques that could be used to eke out the country's supplies. The Recent oil industry estimates study is being carried out hy have suggested that there is as much extra oil to be gained from existing fields around the pony, and should be completed by early 1980. The investigation, hegun in the middle of last year, is likely to cost about \$2m.

reserves assumes a very conservative recovery rate. The reserves could perhaps be added to significantly if the rate were increased significantly by new techniques.

the oil that is currently pro-duced from the world's oil fields flows to the surface either as a result of natural reservoir pressure or by means of injected water or gas.
The secondary recovery tech-

niques of gas or water injection have heen in use in Bahrain for a number of years. After a field has been in operation for a number of years, however, the injected water hegins increas-

become uneconomic even though up to three-quarters of the original oil contained in the reservoir is still left hehind. Recovery of the remaining oil, which clearly can he a massive quantity, presents the oil industry with one of its greatest

use of flash-fires deep under-

than conventional recovery

price of oil needed to justify such techniques would range from about \$11 a barrel to as high as \$32.

Such prices might bave appeared prohibitive as recently as last year, but the oil price increases imposed this year hy members of the Organisation of Petroleum Exporting Countries the low side with oil prices suddenly have made the cost of rising much faster this year than enhanced oil recovery much less daunting.

However, it is not only the prospect of prolonging the crude oil reserves which consures that the oil industry will remain a major part of Bahrain's economy for many years to come. The island also supports a 255,000 barrels-a-day refinery—operated by the Bahrain Petroleum Company, a subsidiary of Caltex of the U.S. and it has made significant discoveries of gas in recent years, which are already fuelling o major part of

Bahrain's heavy industry.
With the exception of the refining company, the Bahrain Government is in the process of carrying out a 100 per cent toke-over of the country's oil industry, with the resulting interest being vested in the state-owned Bahrain National Oil Company,

set up in 1976. Despite the dwindling oil reserves, the national oil company quickly emborked on a scheme to conserve associated gas, which is produced along with the crude oil. The \$100m project is similar in concept to the much larger-scale gas recovery schemes under way in neighbouring states such as Kuwait, Aho Dhahi and Saudi

Schedule

gas liquids plants, which will produce 75,000 tonnes a year of propane, 80,000 tonnes a year of Company into possible methods and the minimum is ahead of schedule and appear to be imminent.

mechanical. mechanical completion is expected by October.

Production should begin next year at a level of 280,000 tonnes a year; hut inevitably this will decline, along with crude oil production, at about 6½ per cent a year. The Bahrain National Oil Company is convinced the effort is worthwhile, however, and maintains that the scheme will have paid for itself in four

to five years.
The state's estimated revenues from the oil industry are expected to reach about \$418.5m in the current fiscal year, but this estimate is bound to be on expected.

Just over half of the money comes from the offshore Ahu Safa field, which Bahrain shares with Saudi Arabia. The Saudis operate the field but revennes are shared jointly with Bahrain. All of Bahrain's own oil production is dedicated to the refnery, but it meets barely a fifth of the refinery's needs at peak capacity. The rest of the crude oil feed-stock is supplied by Sandi Arahia by pipeline.

While oil production is to de-cline Babrain can look to its reserves of non-associated gas as a more long-term support for the economy. Gas reserves totalling about 10 trillion cubic fect have been incated in the deep Khuff rock formation, several thousand feet beneath

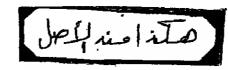
the uil fields.

Production is already averaging about 360m cubic ft a day and of this about 116m cubic feet a day is used for power by the island's aluminium smelter, up to 100m cubic feet is needed for general electricity power generation and 90m cubic feet a day is re-injected into the oil reservoirs to maintain production pressure. The refinery is also a major consumer of ges. There are definite hupes that further reserves of gas will be discovered in the deeper rock formations but prespects for

formations, but prospects for further oil exploration are less clear. The last well drilled onshnre-last year-was dry, and Feasibility work on the natural the best prospects appear to lie in faults and traps in the exist-

ing fields.

The whnle offshore area is heing re-evaluated by the in mid-1977. But construction ploration programme does not



EIKH KHALIFA bin Salman

ptimism :

Risk of regional over-capacity

Mohamed Al-Khalifa, chair-THE DRY DOCK in of the Board of directors JOHN TOWNSEND

the Arab Shipbuilding and sair Yard Co. (ASRY) in train, says that his company open to soggestions from er owners of dry docks in Gulf for some form of peration. Although be did mention Dubal's Sheikh priority. Rather, priority wasto manage the dockyard also given to objectives permitting had to be imported, and the oil revenues to be invested in ASRY Board chose Lisnave, a project which would stimu-otherwise Estaleiros Navais de hid by name, Sheikh Khalifa. irly has the massive three complex in Dubai in mind. management of ASRV, the ht Governments which own shippard, and the Government of Bahrain are all coneconomic co-operation and which would provide facilities for the training of Arab man-power. The OAPEC backers of ASRY were concerned with a or many are an con-ination so far between the dry dock projects in the found easily lead to a point return on their investment, but the pure commercial return, competition and significant although by no means unimporttacial losses for the owners both dockwards. There is a the concern that this ant, was only one of a number of objectives. Bahrain was chosen as the arent failure to co-operate at regional level could risk

site for the OAPEC dry dock shing the Arab image in efter extensive studies by the OAPEC experts bad demon-strated that the State's geographic location vis-a-vis tanker Is far as the Bahrain dock-d is concerned, Sbeikh atively large population, the dockyard's level of edocational attainment and technical skills of the popunagement are showing a and technical skills of the popu-tious optimism on the yard's lation, and the communications ievements to date and on its and services available in the island, gave it a clear lead over nediate future. Inaugurated t 18 months ago, on Bahrain's other contenders. The decision of OAPEC was not accepted by Sheikh Rashid of Dubai, in spite tional Day, December 15, 7, the ASRY yard is making of the fact that the United Arab ady progress. When foreign rnalists ask "But is it making orofit?" the ASRY managernalists ask "But is it making Emirates was a major sbare-orofit?" the ASRY manage holder in the project. Accord-ingly, Dubai's Ruler went ahead e reason, that no such project with his own dry dock complex, and be expected to make a which has three docks to fit within the first 18 months. Baharin's one.

Its operation. Sheikh Khalifa

The Bahrain drydock can

its operation. Sheikh Khalifa The Bahrain drydock can o points out that the original bandle VLCCs of up to 450,000 PEC feasibility report, which dwt in a 375 x 75 metre basin, same the basis for the decin made to finance the ASRY full range of tanker repairs, kyard with OAPEC funds—from a simple bull scraping to de in 1973—envisaged a profit major refits and marine insurthe order of 3 per cent per ance inspections. Its specialised ir when the dockyard was workshops include plate, pipe full operation. This calculance and mechanical shops, as well n was made on the basis of ces then ruling.

Che original objectives of the carries out alongside repairs as PEC drydock project went beyond a concern with a itself, and has a tanker cleaning americal return on the facility.

The experience and expertise

> 18.84% 18.84%

> > 4.70%

5,799 metres 2,981 metres

20 · 22

ASRY OWNERSHIP

Snwait United Arab Emirates

Jechanical work
Tailsbatts withdrawn in drydock and affoat
Replacement of shaft seals
Crankshaft overhaul
Turbo blower overhaul
Main bearing overhaul (bottom)
Overhaul of bottom valves
Piston withdrawal

Up to 50 mm diameter 50-100 mm diameter 100 mm diameter 200 mm

Transformers rewound
Coils rewound

- Source: ASRY.

Mechanical work

Electrical work

Boiler and steel work

External bull cleaning and coating

Bahralu Libyan Jamahiriya

ANALYSIS OF REPAIR WORK IN 1978

late wider economic and social Lisboa, SARL, a Portuguese development in the region, dockyard company operating which would foster regional two shippards and eight drydocks, and employing 10,000 people in its bome country.
ASRY's Lisnave managers who were involved in the project right from the start and who were present during every stage of the dock's construction have a ten-year management contract. They started operations in Bahrain with comparatively simple mini dockings and alongside work. The intention was to give both the management team and the workforce time to settle in and to function as an integrated unit. Cradually, each month, as skills were perfected and as confidence was established, more and more complex

repairs were handled.

As a result, during 1978. almost 11m dwt of shipping was serviced in the drydock itelf and a further 5.5m dwt had repairs carried out alongside. Recent repairs include a new steering engine cylinder fitting, bull cleaning and painting for the Arab Maritime Petroleum Transport Company's Wahran (392,372 dwt), a wide range of repairs, including a boiler refit and the withdrawal and replacement of a tailshaft, for the same company's 317.499 dwt Al Rafidain, a complex major repair schedule for the Canadian Pacific's 254.375 dwt L D. Sinclair, and extensive underwater repairs to the 265,040 dwt Dalma. On February 17 of this year, the 392,607 dwt ULCC Bonn became the largest ship so far to be docked in the ASRY yard.

Altogether, in the first three months of 1979, a total of 2.9m dwt of shipping was repaired in the drydock and a further 1.5m dwt were repaired alongside. Drydock occupancy was 90 per cent over these three months. and the value of repairs per dwt rose as shipowners became more confident in the yard's ability and as the yard's management and technical teams developed their skills. At present the drydock basin is booked up for two months ahead. The management takes paids to stress, however, that it is not for big sbips alone. In March of this year, three smaller vessels were repaired in the dock simultaneously.

The ASRY management cannot compete as regards price with yards in the Far East Labour rates and the cost of services generally prohibit this, but the management chims that its charges are comparable with those in southern Europe and that they are cheaper than yards in Northern Europe. The ASRY management denies that it bas cut prices in Bahrain to secure business.

ASRY has tried to give priority to Arab workers, and especially to Bahrainis. Initially this has not always been easy, as there is a severe shortage of experienced technicians in the Culf. Also, in the early days of the yard's operation, many workers recruited locally found the inside of a VLCC a somewbat frightening place. Currently, 42 per cent of the total labour force of about 1,100 people is Arab, with a further 20 per cent European, 18 per cent Indian and 20 per cent Filipino. The Filipino workers tend to fill the middle grade technical posts. Babrainis in management include Mr. Redha Faraj as Finance Manager and Mr. Abdul Karim Mohsin as Personnel Manager.
ASRY is proud of its training school, and young Bahrainis are getting a first class technical training in the yard. So good in fact, that their ASRY train-ing makes them much in demand on the labour market in the Gulf. Sheikh Khaifa, as chairman of the board of directors, is fairly relaxed about young Bahrainis leaving ASRY as soon as they have been trained, provided that they take jobs in the Gulf which offer them good futures. After all, he points out, the training of Arab manpower in a regional context was one of the original objectives of the ASRY project. But Sheikh Khalifa is far from bappy about those young Bahraini ASRY trainees who are lured away by foreign contractors on short-term contracts with the promises of immediate high financial rewards, and who afterwards find themselves without jobs when the contract is faithed.

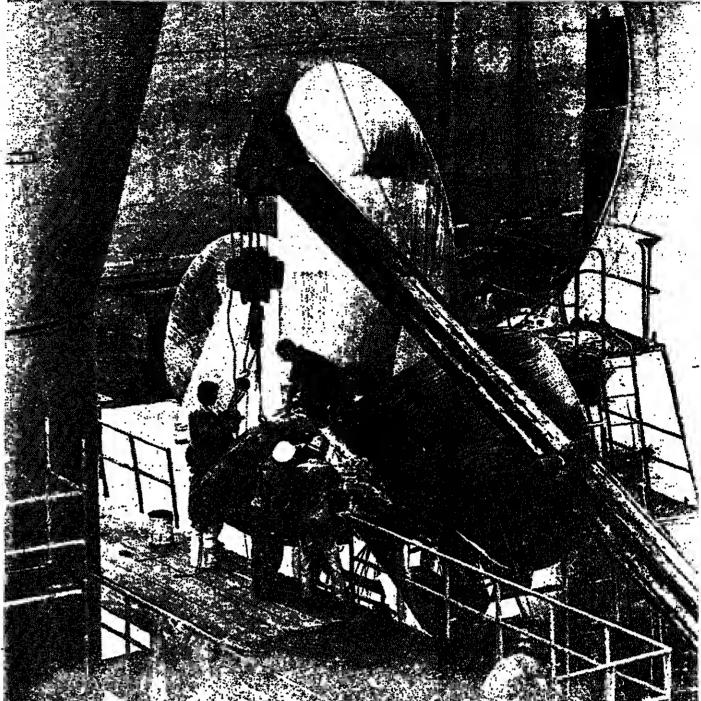
The original objectives of the ASRY project included the promotion of the social and economic development of Bah rain through the broadening of its economic base and the diversification of its sources of national income." It is clearly much too soon to be able to detect a significant continuing spin-off to the Bahraini economy from the ASRY yard. There is an immediate gain in that it provides employment, but against that Bahrain bas no

employment problem. The foreigners employed in the yard spend their earnings to no small extent in Bahrain on food, rent and services.

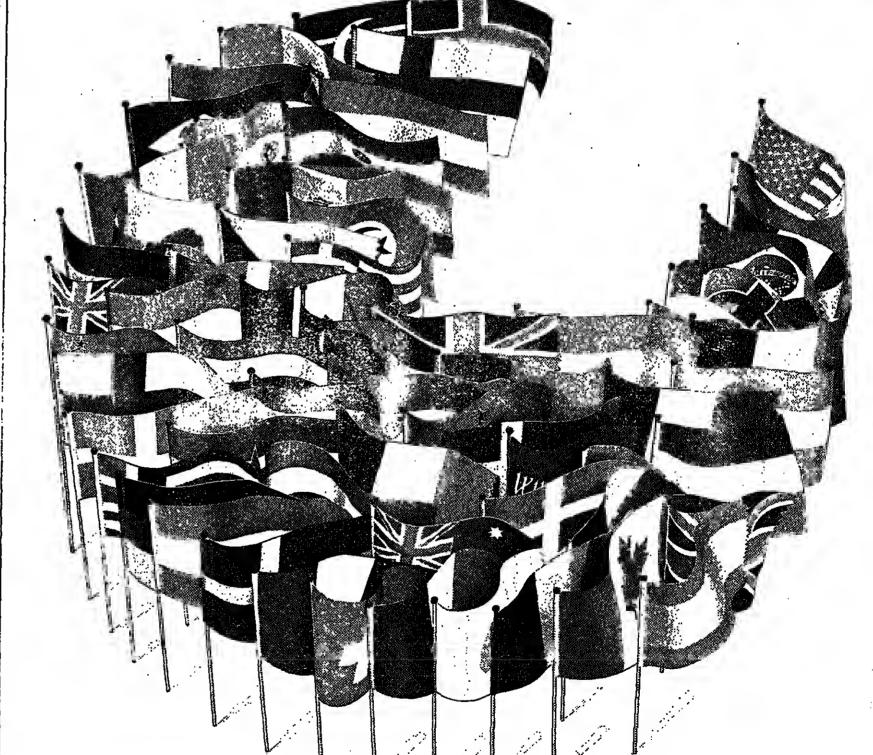
The joint ventures formed by SRY — ASRYWELD with a Swiss company, ASRYPROPELX with a Dutch company, and Modern Clean with a South Korean company for, respectively, welding, propellor re-pairs and bull cleaning-mean some spin-off business to Bahrain. It is also not inconceivable to envisage the two small private sector ship repair companies, the Bahrain Slipway Co and the Bahrain Ship Repair Co, benefiting from the presence of the ASRY dock. These companies were set up originally to repair dhows and modern small craft of up to

I,000 tons.

With its birth pains now behind it, and blessed by a location astride major tanker routes, the ASRY dockyard could carve out for itself a significant place in the international ship repair market. The opening of the Duhai dry-dock complex worries the ASRY directors for very obvious reasons—hence their interest in-finding some form of associa-tion with the Dubai yard at this stage, ASRY believes that cooperation can lead to mutual profit (if not necessarily a commercial profit) as the Gulf becomes a major international ship repair centre, whereas competition between the two yards can only profit yards elsewhere in the world and at the same time do possible irreparable barm to concepts of regional economic co-operation



Work in progress on the 400,000 dwt Sea Song for Stockholm at the Arab Shipbuilding and Repair Yard



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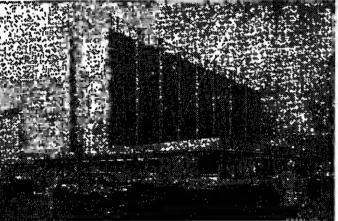
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Profits fuel plans for expansion

ALUMINIUM BAHRAIN has over the past nine months made a great deal of money for its sharcholders.

Taking into account seven years of high costs and losses until recently the amount seems unexciting. But with Alba's newfound solitiv to control costs, and a buoyant world market, a consistent profit on the transfer price of the metal seems assured for some time.

Two important necisions have followed Alba's success. One concerns the 20 per cent equity participation of Sandi Arabia, which becomes effective on July 1; the other, a \$120m expansion to the plant. Both projects have been talked about for a long time. but Government and industry sources neny that the two are linked.

The present sbareholders in Alha are the Bahrain Government with 77.9 per cent, Kaiser Aluminium Bahrain 17 per cent and Breton Investments 5.1 per cent. After parting with a quarter of its holding to Saudi Arabia, represented by SABIC (Saudi Arabian Basic Industries Corporation), the government still retains overall control,

No value bas publicly been put on the shares, but the selling price is more likely to be based on a portion of the initial equity investment, plus an element of compensation for past losses compensation for past losses, than on an evaluation of the smelter's present worth. If this proves to be the case, the Saudis are getting a highly profitable investment, because any new smelter will be built at three or four times the cost of Alba.

However, the most important aspect of the deal is its promise of co-ordination and a sharing of experience in future industrial development, after the signal lack of such co-operation with Dubai, which is also building a smelter.

Co-operate

Bahrain and Saudi Arabia first put their beads together on aluminium in 1976, to co-operate in purchasing raw material, smelting in Bahrain and facing world market forces. But Alba. was not making momey then, and the participation plan was put on ice, partly of buying into a loss-maker, partly, in the words of the Minister for Development and Industry Mr. Yousuf Shirawi, because "we in Bahrain did (Balco), the marketing organi
and training."

national Bank and NatWest bare been appointed lead managers. Many of them smelter to managers. Many of them already invest in Alba's sbort-term promissory notes, which provide the smelter with works arrangements in capital more cheaply than previous revolving credit from any country willing to make a competitive offer, matched by a 26 per cent bold-to-redit from any country willing in Bahrain Aluminium needs to raise on the open market. A British company Bahrain and Saudi Arabia

different. Spot prices for partner will take its share of aluminium ingot have soared metal to feed its own down-50 per cent since last June. And stream industries, or leave it Alba itself, a determined to be sold on the open market.

Minister of Industry and Com-merce, Mr. Yousuf Shirawi, visited New Zealand in 1976.

His New Zealand bosts wanted

some form of joint venture pro-

ject which would encourage the sale of New Zealand products in the Gulf. A bandling and

storage facility in Bahrain's free

zone seemed to be a good idea. This good idea was looked at

in more detail when New Zea-

land's Prime Minister Muldoon visited Bahrain in April, 1977.

Formal negotiations at Govern-

ment level continued when Bahrain's Prime Minister visited

The eventual agreement be-ween the two Governments

volving the construction of a cold store and dry goods ware-

house in Bahrain's Mina Sulman,

the building of a special four-berth jetty, and the formation

cept of the special jetty was

dropped from the project.

Both Governments decided that, once the broad outline of the project had been agreed at official level, it should be banded

over to the private sector.

Accordingly, last year the

BANZ Trading and Storage Company was established, with SI per cent of the capital com-

ing from Bahrain and 49 per cent from New Zealand. The company's original capital was fixed at BD 1.6 million.

Three Bahraini companies,

the Bahrain Investment Com-pany, the General Trade, Food

pany, the General Trade, Food and Processing Company (Trafco), which specialises in food imports, and the National Import and Export Company, Bahrain's biggest importer of cement, rice and sugar, have each taken 17 per cent of the equity of the inint venture.

equity of the joint venture.

Export/Import Corporation, though it is intended that ulti-

for a \$10m project in-



120,000 tonnes of aluminium o year.

ALUMINIUM

MARY FRINGS

resulted in significant savings in consumables and manpower. The logical next step is that production capacity to over SABIC, baving learned from 165,000 tpy, will be financed on Alba, should go ahead with its own 250,000 tonne smelter at Jubail—and that Bahrain about \$30m. should bave a stake in lt. Mr. Shirawi comments: "With the wisdom gathered over the past 10 years, it will be possible to save millions and millions of

Minister for Development and Industry Mr. Yousuf Shirawi, Ing In Bahrain Alumnuum because "we in Bahrain did (Balco), the marketing organinot want to turn this policy of sation formed last year to sell Bahrain's 95,000 tonne share of woodnetion. No-one is Now the situation is very prophesying whether the new ifferent. Spot prices for partner will take its share of

Valuable link with

New Zealand

sector will buy sbares in the

trading and the warehousing of

foodstuffs and other consumer

goods.

Each profit centre Is to be

separately managed. A general manager for the trading opera-tion has been appointed, and the

company looks forward to huild-

ing up a thriving business throughout the Gulf and the

For the warehousing side, negotiations have now been

group will provide the manage-ment of the company's storage

The company has a 25-year

The company has a 25-year lease on 25 acres of land in the free zone of Bahrain's Mina Sulman port area. So far, one third of this area is being used as the site of the first warebousing, cold storage and container park installation.

The contract for the construc-tion of this installation was let

in October, 1978 and comple-tion is expected in September of

equity of the joint venture.

So far, the New Zealand 49 perature range of —26 degrees should mean that bulk per cent of the equity is in the C to 2 degrees C, a further broken up and distributed to hands of the government-owned three rooms totalling 1,012 Gulf markets at minimum cost. Export/Import Corporation, square metres with a temperative formula in location in ballrain's free zone should mean that bulk broken up and distributed to Gulf markets at minimum cost. The project is a notable addi-

Arabian peninsula.

Company bas two business objectives:

company.
The BANZ Trading

Storage

of a trading company to import completed with a specialist and distribute goods throughout the Gulf. Subsequently, the coninternational interests; this

Lease

JOINT VENTURE

JOHN TOWNSEND

in October. 1978 and completion is expected in September of this year. The company plans to begin operations in October.

Also being constructed is a modern, well-managed ware-old store, a dry goods ware- housing, handling and distribu-Also being constructed is a cold store, a dry goods ware-house and a container park. The cold store bas three sections:

own trading activities.

Its location in Bahrain's free chould mean that bulk

ture range of -15 to 2 degrees tion to the Bahrain service

The plant expansion project, which will boost Alba's rated 120,000 tpy (tonnes per year)

It has been suggested that

the remaining \$90m should be rounded up to \$100m, and major onshore and offsbore banks in Bahrain bave been asked for dollars in design, construction and training."

It is ironic that while Saudi Arabia burns off enough gas to smelt 6m tonnes of metal a stream the only two smelts of the content of the c

> A British company supplied the original power station turbines, and if It is decided to keep the equipment the same then Britain's Export Credit Guarantee Department (ECGD) involved.

The main regret at Alba is

1,350 square metres with a tem-

perature range of -1 to 16 de-

The cold store has also 1,125

Although the original pur-ose of the joint venture was

to promote and facilitate the import of goods from New Zealand in to the Gulf, the

company will be operated to make a profit, irrespective of the origin of the goods it is handling. Mr. Eshaq says the

Gulf markets at minimum cost.
The project is a notable addi-

that the incremental capacity, bringing with it a reduction in overall metal costs of \$70 a tonne, is not available now, According to the provisional schedule, the first new line of 75 pots should be ready for start-up in March, 1981, and the second by October of the same

The first major contracts are expected to go out in two or three months time, and as much work as possible will be placed.

with local companies.
In the morketing field, the most important dealings are with South East Asia and the Far East Japan has fallen back in recent months, but is expected to become the major customer again, with the recovery of the yea. In terms of volume, the regional market had a poor year in 1978, but improved in the first quarter of

Stockpiling

The policy of stockpiling against favourable market couditions has paid dividends. Balco shipped 119,000 tonnes of metal in 1978, drawing 24,000 tonnes from stock, and by the end of March this year had sold another 47,000 tonnes. The stockpile is now down to a working level of 15,000 tonnes, from a 1978 peak of 52,000. Less than a quarter of the Government offtake is committed on forward contract, and

because there is no need to be as casb-flow conscious as the aluminium majors, Balco can afford to take a harder attitude on price. But local consumers dependent on the smelter feel that to some extent they are getting a raw deal.

The market value of saleable

aluminium production in 1978 has been put at nearly \$135m. Deducting the cost of imported raw materials only—a fairly rough and ready way of accounting—value added is around \$56m. Foreign exchange earnings for the period would be a little leaves. little lower, to exclude 5 per cent of production sold locally, and servicing payments on foreign loan capital.

If prices maintain their current levels, value added for 1979 is projected at U.S.\$130m. Local sales are then expected to bave climbed to 10 per cent of saleable production.

In addition to its increasingly valuable contribution to the economy in terms of foreign exchange Alba employ 1,500 square metres of airconditioned storage. The dry goods ware-house bas 2,400 square metres Bahrainis, just under 4 per cent of the working population. The continuing cutback in jobs—500 last year with another 150 due to go in 1979—arouses criticism whenever it affects local employees. I show authorities in of storage space extending seven metres upwards with pro-vision for four racks of palletised containers. The outdoor container park bas space for 70 dry containers and 72 refill conployees. Labour authorities in Bahrain find it bard to accept that a highly competitive indus-try cannot afford to carry dead

Alba maintains that the turn-over in Bahralni labour has alwaya heen high, although Zealand in to the Gulf, the objective of the company as now established is to operate ar a profitable international trading venture.

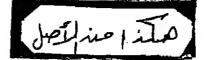
Naturally, New Zealand imports will be an important element in its operation, but in no sense is the company to be tied exclusively to New Zealand goods.

In the words of BANZ Trading and Storage Company's chairman, Bahrain businessman Mr. Ebrahim Esbaq, the company will be operated to

Compared with Alba, Bahrain's three main aluminium processing companies provide little local employment. There are dedicated primary metal men in the industry who would like to see all further representations. like to see all further proposals for downstream projects abandoned, arguing that their economic impact is small and the problems of competing with industrialised exporters, in a field where cheap energy is not the over-riding factor, are immenae, while in some cases they also face competition from local plants.

Nevertheless, the Doha-based Gulf Organisation for Industrial

CONTINUED ON ..



BAHRAIN VII

Project begins to move

THE past four years, the of a 25km causeway link-hrain to the eastern coaat di Arabia bas been about ngible as the channel is to Britain and France. most Bahrainis the causea pink dotted line on the map, marking the pro-route and thrusting out from north-weat coast of

now something is moving at will be one of the construction projects in die East, already valued on by one would-be

nt Saudi-Bahraini techni-tion flew to the World in Washington late in errying pre-qualification tions from 35 interconsortia, representing companies. The Arab on waits World Bank to assess the applica-d prepare a abort list of 0 to 15 consortia. These will be invited to bid. around September, and tract could be awarded the end of the year. e is still a considerable

of "I'll believe it when t," among major foreign tors passing through but Government hope the project could about March of next Building is likely to last d-a-half years. visit by tha technical

to the World Bank is ant as it illustrates the by wealthy Gulf states tinise much more care- by motorised Dbow. be tenders from indus-

construction boom which d the 1973 oil price rise t Saudl Arabia, in par-

contractors from South

THE CAUSEWAY

MARK MEREDITH

from the road link. Then, too, Bahrainis with a training (but not enough modey

tempted by the prospect of a short trip by road to a better-paying job in Saudi Arabia.

The historical bonds between the two countries and especially hetween the ruling families on both sides the Worse of Saudi both sides, the House of Saud and the Al-Khalifa family of Bahrain, are extensive and complex. Sandi assistance to its less-well-off island neighbour is immense in its scope, as well

as its generosity.
While maintaining that such assistance has no political, social or economic strings, a Bahraini minister described the causeway as an extension of the Saudi mainland. He also thought that Saudi Arabia did not wish to see its amail neighbour lag behind it economically and become the source of discontent or pos--sible unrest in future. Bahrain's educated population could easily become disquieted by glaring inequalities, be thought.

Extensive

The links that already exist across the Gulf of Bahrain are extensive: 25 flights a day to Dhahran and numerous trips

A four-lane road link, although bringing the two countries closer together, is construction boom which
d the 1973 oil price rise
t Saudl Arabia, in parfeeling that it had been
ad by international cons taking advantage of
nexperience in handling main attraction to Saudis
international contracts.

Conserved to change the more
pragmatic Bahrain life style.
Indeed, it is the less austere,
more tolerant atmosphere of
Bahrain that is likely to be the
nexperience in handling main attraction to Saudis
living on the eastern coast.

international contracts. living on the eastern coast.

d in 1977 to the row in

Or, Ghazi al Gosaibi, the

Minister of Industry,
if electrification bids

Western and Japanese

ies accusing them of prices and awarded

prices and awarded

Then, too, Babrainis with a training (but not enough money

d the subcontinent. to commute by air), might be tempted by the prospect of a short trip by road to a betternas between Bahrain and paying job in Saud Arabia. Arabia. The project is The discreet acceptance of entirely finehead by the alcohol and the growth of while Bahrain will, on letsure industries (there are gain most in commerce already five discotheques in

Tel: 766.52.12

town), make some Bahrainis worried that Manama, the capl-

"Soho of the Guif." But what-ever the commercial pressures, Government officials and leading expatriates on the island believe leisure will be gently but firmly controlled.

The eagineering specifications for the causeway were drawn up following a study by Saudi-

Dagisb consultants.

The project description calls for the causeway to be made more of bridges than rockbed embankments: 12 kms of bridgework and 10 kms of embankment. This is to allow a good flow of water north and south through the Gulf of Bahrain which will prevent the gradual formation of a large bay of brackish water to the south of the cauaeway.

Four navigational channels are required although ship traffic is on a small acale. The water is shallow and there are no major ports on either side. Dhows, tugs and barges with a maximum tonnage of 2,000 tonnes form the main sea-going

To allow ship clearance, the main navigational channel will require a bridge wth a beight of 28.5 metres above water level and a span of 120 metres. The other three bridges require a 15.5 metres clearance while further bridgework will be about five metrea above water

steel needed for the bridge superstructures is esti-mated at over 110,000 tonnes, while the substructures will require thousands of tonnes of steet plles and casings.

The piles will be driven 16 metres down to rockbed and then sealed-off with concrete to prevent corrosion. Reinforced concrete piers witl support the

well placed to construct the box it went to tender.
girders. The \$1bn estimate of the cost

side near Dbahran and from the \$800m.

United Arab Emirates. An additional half million cubic metres of armoured rock will line the embankments to prevent wave

The causeway route will leave the populated corthern quarter of Bahrain island north of Al Jasra on the west coast, veer slightly to avoid an archeological site, and then head west to Umm Nasan Island, about four and a half

kilometrea away.

Umm Nasan will become the site of the Bahraini customs and immigration offices as well as the causeway control centre.

The embankment and bridge

work then beads west to the Saudi mainland, coming asbore about six kilometres south of Al-Khobar.

The causeway construction will, in turn, breed contracts for feeder roads at both eads. There is already talk of a new town of 5,000 houses at the Bahraini end. Accommodation will also be necessary for the vast workforce likely to be 80 per cent made up of expatriate labour. Route

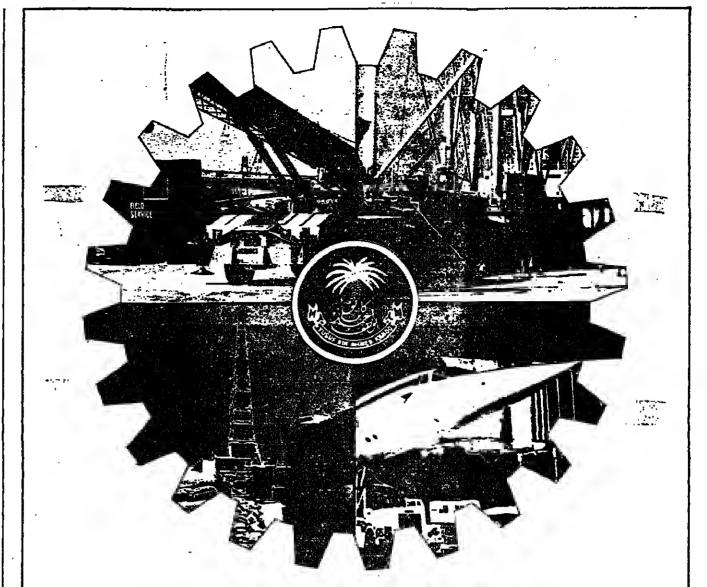
The Babrainis hope that the headquarters for the work will be on the island although, according to the description of the route given to applicants, construction work will move

from west to east.
The Bahraidi Government has already prepared the eventual route linking the causeway to Manama and the port of Mina Sulmag by buying up the land across the island to head off speculation.

Among the applications now under consideration by World Bank experts are those from major British companies, plus a few American and some Japanese and Korean com-panies. Most of the bidders are Saudi companies who would sponsor an international cootractor as a partner.

The best-known on the sceoe so far is that of the Saudi entrepreneur, Adnan Khashoggi, who in 1977 anoounced a consortium formed under his Triad multinational organisation with The Arab Ship Repair Yard (ASRY) in Bahrain would be well placed to construct the horizontal placed to construct the hori

Rock for the embankments— came from Mr. Khashoggi. The nearly two and a half million estimate from the Bahrain Govcubic metres of it—will be available from quarries on the Saudi of Transport has been lower, at



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de l'Indochine et de Silez

CONTINUED FROM PREVIOUS PAGE

comparative advantages of a large-volume hot rolling mill, requiring a amalter per-tonne capital lovestment, or a more expensive strip-caster able to operate economically at lower

Among the existing "aemis," Bahrain Atomisers Inter-Bahrain Atomisers Inter-national ia the least affected by the sharp rise in the cost of its feedstock. This is because, like Alba, it is purely a conversion company. It takes metal from the sharebolders, the Bahrain Government and Eckhart-Werke (who have an interest in Alba through Breton Investments) and turns it into aluminium powder for a fee to cover Operating costs.

The Government is entitled to 51 per ceat of the atomiser's capacity, but is currently utilis-log only about 15 per cent, even though powder can he sold to EEC countries without incurring the 7 per cent duty imposed on ingot. Eckhart bas wanted all the powder it could get, and the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested 2000 to the plant has been running at its rested at the plant has been running at its rested at the plant has been running at its rested at the plant has been running at its rested at the plant has been running at its rated 3,000 tpy capacity apart from two inter-ruptions due to accidents dur-

ing the past four months.

Balexco, the \$10m Government-owned extrusions company, is in the less happy position of struggling to make a profit while paying the full commendable parts for its resumments.

A world-wide shortage in the much as it wants. market for extruded aluminium section—the first in eight years has enabled Balexco to push up its product prices against prices for conducto the \$500 a toone increase in not fully reflected the cost of billet. "But now we raw material costs. need a period of stability." says plant manager, Derek Peden, of the Swiss management company, Alusuisse. He believes Balexco will braak even this year, but is unlikely to show a profit until it is operating at full capacity

(4,000-5,000 tpy).
The plant was 500 tonnes betow its 1978 target of 2,500 tonnes, because of the failure of the water supply from the neighbouring Sitra Power Station. It is aiming at 4,000 tonnes for 1979, and has been working three shifts since the beginning

of the year.

small fabricators round the Gulf there and is now selling through Kuwait Into Jordan. A tot of dew business is being created Arabia, where extensive elec-by two offshore companies in trification schemes are creating Bahrain. Sprung Instant Structures, which supplied the teated exhibition centre in Bahraia, is buying 400 tonnea of aluminium section this year for major pro-jects in the Middle East, and means that Saudi Arabia comes could aoon increase its take-off to regard the Bahrain plant as

o 1,000 tpy.

Sprung's orders are for millthe prospects are bright.

Consulting has been entrusted finished product, and are parwith a feasibility study for a ticularly welcome because rolling mill. It will weigh the Balexco can extrude more than it can anodise.

The other offsbore customer is Arabian Technal, which mar-kets a high-quality window system aiready popular in Europe. Unlike other extrusion plants in Duhal. Saudi Arabia and Kuwait, Balexco has no plana to go into fabrication, preferring to assist fabricators in raising their quality standards.

Balexco estimates its foreign exchange earnings at \$3.4m, for 1978, with a projected \$9m for 1979. It will start to repay its \$4.9m loan from the Govern-

meot this year.

Perhaps the most courageous remaps the most courageous venture is the wholly privately-owned Midal Cables, which went into production in July last year. Midal is a \$4m partnersblp between Intersteel (51 per cent), a Bahraini company registered under the name of Mr. Hamad Zayani, and Olex Cables Limited of Australia.

Midal is taking on major

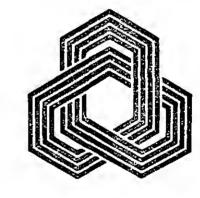
manufacturers of a world commodity, in a fiercely competitive market. It is not getting any concessioos. With so much money to be made on the spot metal market the committed allocation to Midal from the smelter on its doorstep has been restricted to 6,000 tonnes for this yearnot enough if the big orders come in, says the Australian general madager. Brian Pearson. merclal rate for its raw mater-iala and servicea. But if metal prices tumble, go doubt Midal will be offered as

Right now, it must pay the going rate since it has no stockpile to draw on. But world prices for conductor cable have not fully reflected the rise in

in negotiating more realistic shipping rates-it has talked down rates to Jeddah from \$80 to \$35 per tonne. But it pays port handling charges in Bahrain which can add \$13 to each tonne of exported product. Regional customers still tend to think Midal can sell them cheap conductor.

The plant has had its teething troubles. While it is no money-spinner, it is not a commercial disaster. It is comfortably employed at present with orders from Saudi Arabia and Balexco feeds a number of India, and the potential is mall fabricators round the Gulf there for profitable development.
The natural market is Saudi

a growing demand for alumin ium conductor. The Saudl Government save Midal its first half-million dollar order, and if



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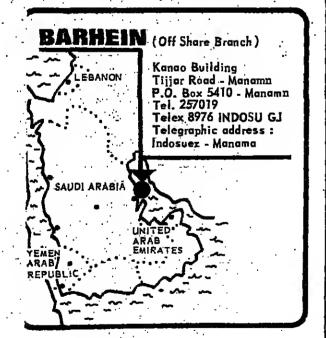
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During 1978, APICORP managed, co-managed and arranged project linked loans and bond issues totalling SR2957m (\$896m). Net profit for the year was SR63m (\$19m). Net assets as at 31st December 1978 were SR1346m (\$408m). Project investments as at the same date totalled SR402m (\$122m).

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Copies of the Annual Report and Accounts available on request as of mid lune from APICORP, P.O. Box 448, Dhahran Airport, Saudi Arabia. Telephone: Al-Khobar 86 47100, Telex: 670068-SJ APICRP.



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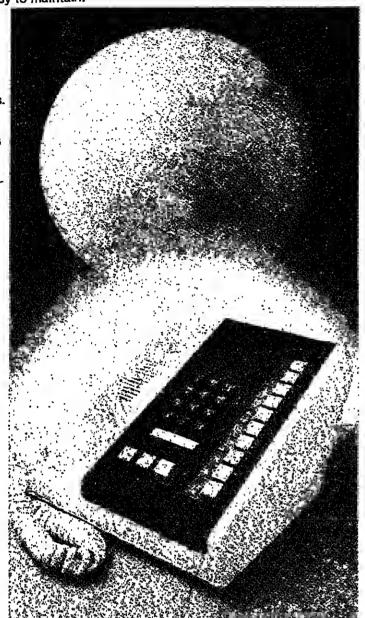
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Steady expansion pays dividends

GULF AIR

JAMES BUXTON

AND MARK MEREDITH

STATE-OWNED airlines are not usually a by-word for profitability, so imagine the problems of running an airline owned not by one but by four states. Yet Gulf Air, which is based in Bahrain but also owned oy Qatar, the United Arab Emirates and Oman, says it became profitable last year.

That is quite an achievement in view of the hectic expansion the airline underwent since 1974 when it was constituted in its present form. The airline now feels that the successive problems that bampered its efficiency in the past four years have mainly been overcome and that the airline is now more mature and set oo a solid. if less spectatular, growth pattern.

Gulf Air has grown against a background of dramatic econo-mic transformation in the region, and has constantly heen expanding its capacity to cope with the traffic. In April 1974 it started operating its first long-haul routes with its own four VC10 aircraft, bought from British Airways, which bad previously owoed a stake in the

But thet VC10s had barely heen absorbed herore April 1, 1976, when Gulf Air started its much-vaunted TriStar services between the Gulf and London. By the end of 1977 the last VC10 had ben sold to the Britisb Royal Air Force and the airline was also switching away from its BAC 111s (which had operated on the local routes) to Boeing 737s, increasing its capacity on the short-haul routes substantially, stnce the 737s carry 97 people against the BAC 111-400's 69. With greater freight capacity as well, the 737 fleet is considerably more economical.

Now the airline bas six Tri-Stars (two of them on dry lease from TWA) and seven Boeing 737s (one of them leased out) as well as four Fokker F27s and a variety of smaller aircraft. Gulf Air now believes it has an air-craft fleet best suited to its mix of long haul and short haul routes. The increase both in capacity and the traffic carried is shown by the fact that available tonne kilometres rose by 63.7 per cent from 1975 to 1976, while the tonnage of passengers, freight and mail rose by 69.6 per cent. ATKs rose by a further 34 per cent in 1977 and by 13.9 per cent in 1978, to reach 474.7m toos, while the weight load factor rose from 46 per cent in 1975 to 47 per cent in 1978.

Increased

The number of passengers carried increased by 38.7 per cent to 960,000 in 1976, and grew to 1.497m in 1978. The passenger load factor rose from 51 per cent in 1975 to 53 per cent in 1979. per cent in 1978. Yet apart from the inevitable

teething troubles associated with getting used to operating new kinds of aircraft, several other factors hindered Gulf Air's, smooth expansion. The TriStar services to London, some of them via Amsterdam Paris, standard of service offered in the air—the Five Star service. one state. The SAS report It was augmented by a comfort-found that the airline was 20 able seat coofiguration that per cent overstaffed and Gulf Air chairman, Mr. Yusuf Shirawi, who is Bahrain's Minigave passengers more apace than in almost any other ster of Development, announced last November that 700 people TriStars flying. (Since May the number of first class seats bas been reduced, allowing more were to be made redundant over the coming 15 months, a figure that would bring the airline's staff down to 3,000. Mr. Shirawi tourist class passengers to be carried—but still with only eight seats to a row). But at said that the airline had lost more than \$4m in 1977. "We have the traffic, but the training the Gulf airports where flights began or ended, service on the ground rarely matched that in and expansion cost a lot of money," he said. The redund-Gulf airports hecame unbearancies are spread over must ably crowded and chaotic in 1975 and 1976 as they tried to categories of job.

Justified

monopoly at each airport, found

to the high traffic levels.

London Heathrow, have caused

maintenance work on the Tri-

efficient aervice it is getting.

cope with far higher levels of traffic than most of them were designed for. The ground handling operations, usually in Though Gulf Alr claims that the hands of companies with a all its frequencies are justified by the traffic its management has to accommodate the re-quirements of its four owner it hard to manage and had little incentive to provide airlines with an efficient service. Gulf Air found itself having to supplement the ground handlstates, so that operations are rarely as simple as they would be if the airline had only one main terminating destination.
In addition to serving the main contres of the four member states—Bahrain, Doha, Abu Dbahi, Duhai and Muscat—the schedus schedus. ing agents whom it was obliged to employ with staff of its own in order to try to achieve a smooth flow of traffic. Only gradually has ground handling improved as Gulf airports bave airline also operates a few serexperienced less explosive growth and became more used vices from the underutilised airports in the UAE of Ras al Khaimar and Sharjah. European airports, especially Yet even though the airline

scems to have settled down into their own share of problems mainly because of strikes and a businesslike system, there can he hiccoughs. Last autumn, a few months after a new en-gineering centre had been other forms of industrial action. Gulf Alr's worst problems at Heathrow were with British Airways, with which it had a opened in Bahrain for servicopened in Bahran for servicing the 737s. Mr. Sbirawi sald that Gulf Alr's engineering divisioo was to be moved to Abu Dbabl, as part of a plan involving Lockheed, Rolls-Royce and the Abu Dbabl Government. The plan was eventually dropped as costly and impracticable, three year contract for heavy Stars. Because of industrial problems at the maintenance hase at Heathrow, aircraft often set out from London several hours late and the delays were felt all over the system which then stretched as far as Bomped as costly and impracticable, hut not hefore detailed studies had been made. bay. Gulf Air built up a reputa-tion for delay and unreliability

In fact Abu Dhabi, soon to open a splendid new airport, is the only shareholding state not to bave an important diviwhich was not entirely its own Finally last August Gulf sion of Gulf Air based there. decided to end its contract with The airline's light aircraft divi-sion is based in Muscat and the British Airways, and since April this year the TriStars have had helicopter division in Doha, their beavy maintenance carried out at Hong Kong hy Qatar. From time to time the Gulf resounds with rumours that one or other member state is about to start an airline of Hong Kong Aircraft Engineer that one or other member state that one or other member state is about to start an airline of which also services Cathay Pacific's TriStars. The Hong Kong operation fits in neatly with Gulf Air's services to Hong Kong, which began last December 1857 Began last Decembe

Kong, which hegan last Decemlong haul route is the service her, and so far the airline is from the Gnlf to London on delighted with the fast and which there are now 14 services in each direction a week. During During its fastest period of 1977 and 1978 Gulf Air carried expansion Gulf Air took on too more passengers on this route many staff and hecame top than British Airways, with heavy and inefficient in aome which it has a pool arrangement respects. A report was commissioned from SAS, the Scan-Airways has considerably more were marketed dinavian airline which has in frequencies through the region, that hy 1980 all Boeing the very high common with Gulf Air the fact although its capacity is about flights should have service offered in that it is owned by more than the same because many of its nationals as first officers.

flights are on their way to or from the Far East. This also ineans that British Airways' departures in the Gnlf are oftendar unsocial hours in the middle of the night, whereas Gulf Air's departures are well times because the flights commence there. There seems little doubt that Gulf's fine inflight service and the emphasis in its advertice lng on pretty, if partially velled girls, helps its sales.

The Europe-Gulf air fares are among the most expensive per mile in the world, a consequence of the reluciance of government at either end to lower them and the fact that passengers are mostly people who can afford them (it is cheaper to fly to Australia from the UK than if is from the Gulf to Australia; even though many flights to Australia stop in the Gulf e

Apart from the routine say rices In the Gulf region itselfrecently augmented by Increased flights to Kuwait and Jeddah and new services to Baghdad and new services to Bagildad—Gulf Air operates an "air bridge" hetween Bahrain and Dhahran which opened in his present form in May 1977. Operated half on behalf of Saudia, it has only recently his the capacity to cope with all the heavy traffic in and out of Saudia. Arahia. Now there are 10 sep vices in each direction a day, three of them operated by Boeing 737s and the rest by

While the alr hridge bas the highest load factors of all scheduled services, the TriStar operations have a load factor of 63 per cent, and the lower average for last year of 53 per cent is the result of lower average load factors on the 73. operations. Nevertbeless, Gul Air made its first profit las year, though the size of it is no disclosed. Revenue was \$235n last year against \$187m for the previous year and a projected \$267m this year.

from Iran. However, the fue price increases may not be full; covered by the increased at fares recently announced b;

Among expansion plans airline is seriously considering Philippines via Bangkok. It i also considering leasing an al cargo aircraft to increase it freight traffic, whose contribu tion to revenue has risen from 9 to 12 per cent.

The chairmanship of Air rotates among the fou shareholding states. Senic management is predominantl Arab, though not Gulf national Gulf Air currently employ people of 29 nationalities ht two-thirds of the peoplemployed at the Bahrain has are Bahrainis, and there is big training programme for Gulf nationals. Although on a small percentage of aircre are Gulf nationals, it is intende that hy 1980 all Boeing 7:

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Gateway to the Gulf

BAHRAIN INTERNATIONAL Airport lies on the north-east Airport lies on the north-east shoulder of the country on Muharraq Island and is only a dusty 10-minute taxi ride across a causeway to the centre of the capital, Manama.

The airport has evolved from an old RAF base to become one of the main aviation centres for the Gulf, handling wide-bodied aircraft from 30 airlines. It is also the air traffic control centre for the aonthern sida of the Gulf, suparvising the overflights of intercontinental traffic from Europe and the Far East.

The development of the air-

port has grown in tune with the vast industrial expansion of the Gulf and today it is a clearing bouse for the movement of labour to projects in Bahrain and neighbouring countries.

This is reflected in the buge

New co increase in passenger traffic over the past year: 2.3m in 1978, compared with 1.8m tha pre-

vious year.

As jumbo jets rolled by on the taxiway closs to the Directorate of Civil Aviation, Sbeikh Isa bin Abdullah Al-Khalifa, the department's Under-secretary, explained: "The trend bas changed from the first ctass

bustnessman passenger, with a credit card, to the labourer." Nearly 70 per cent of the air traffic from Asia and the Far Iodians for roadways and construction sites. Thais for work airport expansion.
at the ports, or British, Ahout \$3.4m bas heen
American and French for the allocated for maintenance and

six times a week with Koreans extension of the terminal builddestined for the development ing and there are long range complex at Juhail on the Saudi plans for a second runway.

THE AIRPORT

MARK MEREDITH

east coast. Expatriate workers flown into Bahrain form about 35 per cent of the 110,000 labour force.

"Although there has been a certain recession in this part of the world, Bahrain has hecome a gateway to the Gulf and also to the Saudi peninsula," said Sheikh Isa.

New construction projects have tapered off and pressura to send vital material by air freight baa eased although Gulf Air is doing well with cargo-loads of foodstuffs and other consumer non-durables. The airport's cargo figures remain largely static at 27,200 tonnes of cargo last year compared with 27,700 in 1977. The figures cover goods destined for Bahrain as well as transhipments and mail.

To meet Bahrain's development as a service centre for

ment as a aervice centre for East carries workers for pro-jects in Babrain and nearby the region and as an attraction Gulf states. Pakistanis and for Gulf tourism, Sheikh Isa was confident of the need for

banking community.

A chartered Airhus on an year. Work is expected to start extended run from Seoul lands by the end of the year on an

Gulf Air (along with nine other Arah airlines) plans to set up a \$30m computer airline and resarvation centre at the airport. The computer would bave a capacity of 19m reservations a year and could be in operation in two and a half

The Babraini Government plans to provide the building for the project although, due to the difficulty in co-ordination between the region's airlinea, some aviation officiala are sceptical about the project being launched on time.

The airport can handle six wide-bodied aircraft simultaneously: four docked at airbridgas (allowing passengers to walk straight into the terminal) and two other aircraft unloading on to buses. A fifth airbridga is planned, although customs and immigration facilities will need to tion facilities will need to expand to avoid lengthy delays and congestion inside the

is not to bring in new carriers

"We want more routes from
our regular customers," said an

British with its along with Qantas, are the key users along with Gulf Air which

Gulf Air is jointly owned I the Governments of Bahrai Qatar, the United Ara Emirates and Oman. Other line using the airport inche Cathay Pacific Saudia and UT. Pan American, according airport officials, is planning move its regional headquarte to Bahrain from Tehran as we as use the airport as a atopove for their global routes. In Apr

intercontinental run throug Bahrain from London V Zurich to the Seychelles. Sheikh Isa also helicycs the will be a gradual expansion.
Bahrain Airport services whicholds the franchise to hand ground maintenance and so vices for the airlines. Qant

British Airways started a no

is known to be pleased with the airport facilities reporting and two delays in 250 flights.

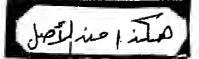
The airport is also the hea quarters for Flight Informatic Radio which supervises a traffic for the lower Gulf Regio The acrvice is run under co-tract by a British compan International Aeradlo.

The revolution in Iran place an extra burden on air traff

an extra burden on air traff control earlier this year whe Bahrain was required to tak nver supervision of overfligh on the nortbern side of the Gu

from Tehran. The emphasis for expansion of air traffic through the alroort is not to bring in new carriers to cover all costs. Ravenue the year is estimated at \$14.5m, modest \$2m rise from the projects are the projects and the projects are the project are the projects are the projec

vious year, Airways (slarting The airport authorities appear to show little interest in development of the control of the c ing the airport for use b private aircraft, concentratin makes its bome hase at Bahrain. rather on wide-bodied aircraft



BAHRAIN IX

Exhibitions to the rescue

STEEL skeleton of what be the Diplomst Hotel gannt, but not lonely, st the skyline of Manama, ain's capital. All round it ings rise up and are com-i; tower cranes and con-tion workers labour away tivity that emphasises the ess of the Diplomat site. work should soon recome on the new hotel as the legal quibbles over its fund-raising are sorted

ny morais can be drawn the saga of the start, re-refinancing, and re-restart is hotel. The two most us are that construction in the Gulf are still rising than professional advi-estimated and that hotal ship is no longer a licence

Holiday Inn. and thaton, as well as the Diplohave had to raise loans gh the internstional mar-

Bahrain Golf Hotel's annual report shows that w tower, which should be eted by early next year, ost BD 2m (\$5m) more originally estimated. To inance this increased cost otel company had to pass vidend for 1978. (Diviare almost sacrosanct to ini ahareholders, who sbsres according to inrather than capital appre-

unately for the Gulf and the other botels open Island, 1978 was not auch year as initially predicted, yes almost solely due to tivities of the Bahrain exns company, Arabian Exns Management (AEM), started its exhibitions mme with two relatively events, Soltech 78—the technology sbow—and uild 78 which attracted

7.900 visitors.
Gulf Hotel still managed
e an enviable occupancy f 89.5 per cent during The other established also claimed high ney rates and the newest.

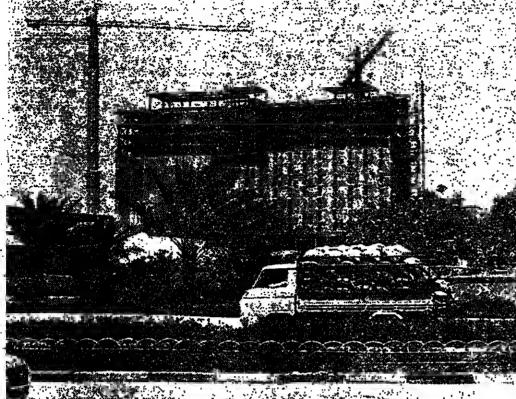
itday Inn, opened in time commodate delegates to

teful

for night stops."

1976-77 when occupancy were well over a 100 per ad Bahrain residents had k tables for lunch. The

800 of the 1,700-plus and the Far East. bedrooms of Western



The new Sheraton Hotel complex in Manama under construction by Taylor Woodrow

HOTELS

DCINA THOMAS

standard now avallable in Banrain are in first class hotels of international standard of which four are now open. The Gulf hotel is the only one not affiliated to any international marketing chain which gives the other three, the Hilton, the Holiday Inn and the Ramada, an undoubted advantage.

But in the course of next year, when the Gulf will have to start selling its 240 new rooms, there will be additional competition from the Sheraton and the French-run Regency

s not only that the crews trade can do to increase the rooms but they give life number of visitors to Bahrain: internstional atmosphere numbers have declined severely otel which is particularly as the Gulf states went into in lean times," comments recession at the beginning of

ever, it was only during To counter the international rly months of this year marketing systems of the Hitoteliers ceased looking fon, Holiday Inn, Ramada and itb regrets at the boom Sheraton, the Gulf Hand Sheraton, the Gulf Hotel may attracted to conferences and turn to Gulf Alr, which has a Compsny. Gulf Air, the regional ig of new hotels made carrier, now has offices in subject with Middle East tacked start marketing for the almost all the important cities on in front," observes a hotel of Europe as well as New York manager.

Fortunately for Bahrain's is the resident population of

hotel owners, AEM already bas four exhibitions being marketed for 1980, two relatively small specialist shows and two more general ones.

Next year will be the first time that AEM repeats an exhi-hition—Arab-Bulld and Soltech are to he rolled into one show which will be a test of its judgment and marketing skills. Not all Arab-Build's 7,000 visitors last year stayed to hotels, though the figure did not include exhibitors' staff who tend to stay roughly a week.

The three new holels between them will add almost a further 1.000 beds to Bahraio's capacily.

However, business visitors are not the only potential customers for Bahrain-based hotels. A couple of the bigger hotels have while wishing further success to AEM in 1980. Bahrain's ages to residents of Saudi and reappear in other guises rateful to the 27.0r so hotelicrs are also fervently calling regularly at hoping the Bahrain - Saudi other neighbouring states. There is some potential in this limited the crossroads of the belief early and the residual particularly as the crossroads of the left early and the residual particularly as a mosque is unlikely to get a mosque is unlikely to get a liquor permit, for example a support to the contract will be never to the crossroads of the left early and depositing the grown of tourism, particularly as liquor permit, for example a support to the contract will be never t Bahrain bas more visible history and depositing their the new rooms.

Or night stops. There is little that the hotel and is a more attractive place than many of its neighbours, especially Saudl Arabia. The marketing is discreetly done as no one in Bshrain wishes to turn the island into an Arabian

version of Blackpool. A second potential source of guests are businessmen resident in the Gulf who could be

seminars held in Bahrain. 45 per cent stake in its parent "But these will have to be company, the Bahrain Hotels genuinely regional and rather narrowly defined, not just any

A further source of business

Bahrain which, until the downturn in business of 1978, was relatively free spending. hotels compete to organise speciality evenings and other forms of entertainment which all seem to prove very

popular. Last year the Ramada stole a march on the others by organislowed by a barbecue. have proved enduringly poon lar, attracting over a hundred guests on two or three nights a week. This year the Hilton is

countering with a small theatre

But competition for the residents' husiness is increasing daily - the number and quality of restaurants in Bahrain has increased over the past year, There is now-a wide variety of professional and semi-professional restaurants, discotheques and virtual night-clubs

liquor permit, for example.)

Hygiene

There has also heen a drive by Manams municipality to raise hygiene standards of the reslaurants and take-away cookshops of the capital. The Island's various special-interest clubs — sports clubs, profes-sional clubs — are venturing more into simple catering. That Bahrain takes its hotel

industry seriously is shown by toe fact that a hotel and catering college opened in 1976 with United Nations Development Programme guidance. The college was rapidly upgraded to become a regional centre and Saudis and Omanis were numhered among its first students as welt as Bahrainis.

The college is recognised as a City and Guilds standard examination centre and its two year course offers a diploma in hotet operations.

The course covers all aspects of hotel work, housekeping, catering, reception and front office work as well as restaurant service. Its first grsdnates went to work in the summer of last year. (The Gulf Hotel and the organisms) Hotel says that over 50 per cent of its personnel are now Eahraini.)

Now that the extraordinary hoom is over, the day-to-day problems of the hotel industry in Babrain sre very similar to those of hotel business in the rest of the world, except that the major cost fsctors (after construction) are those of im-ported food and imported Wages are comparable to

European levels hut payroll costs such as accommodation and airfsres home are higher. Almost all the food consumed

in Bahrain is imported—though Revenue from telephone use linerassing — and has conse-lone has gone up from a quently to bear transportation continuously average of around costs from New Zealand. But for the hotel industry, as

for other businesses and pri-vate individuals in Bahrain there is the bonus of no taxation. This is fortunate for botel users, too. The cost of botel rooms in Bshrain is alresdy high-at least \$80 a night be fore service charges or breakfast in the top hotels. But if the usual boteliers rule of thumb were to ba applied—that the price of a room will be one unit for every thousand units invested—without taking into account the absence of taxation,

A rough calculation suggests a price of \$160 a night for a hotel presently under construction-which would severely dent Bshrain's virtue ss a ser-

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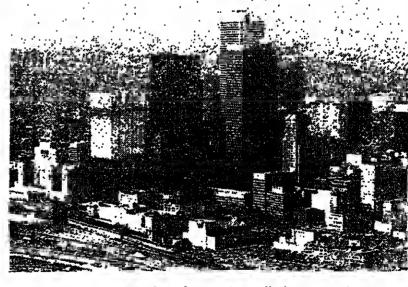
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A key factor in finance growth

SCENE is the dealing of Sarahex, one of the noney brokers serving n's extensive banking

enviable luxury, eight sit at a round table with equipment. It is y and business is at its ectic. One dealer is on ie to Singapore, another ion and a third to Riyadh. ily female dealer, a girl singapore in white jeans e-shirt, seems to run on ses of adrenlin and copes with three telephone calls

ront of each dealer is a rd giving them direct me access to 40 private leading to commercial or offshore banking units

· Reuter monitor screens them display forward ind there are three keyallowing three simuls interrogations of the

nst the wall is a battery iently linked to Singa-

s been a key factor in the of offshore banking.

sccess to telephone and communications and, in
The tropospheric scatter

TELECOMMUNICATIONS

MARK MEREDITH

with a 100 per cent franchise agreed with the Amir. The British Government-owned corporation runs the domestic telephone system, international Telex and telephones, a tropospheric scatter system of communications with other Gulf states, a satellite station and extensive microwave ties with Saudi Arabia.

been fixed on the Indian Ocean satellite bandling calls to in Telex machines, three Europe and some transit treffic in with leased circuits for the United States.

The new satellite station will ondon and Dubai.
In enew satellite station will the owner is anxious to impress have its dish apparently aimed directly at the borizon to fix advantages of having a mobile telephone. Your correspondent to the apparatus all community to Bahrain opening an extensive new comforgets the cost of the apparatus

gly, lo computer data system bounces a powerful have also been vital to signal off the ionosphere and is n's plans to expand its used for short range telecom- of clouds later in the day industries.

munications within the Gulf. moving in the from the Channel.

Cable and Wireless operate But over the past year the the Gulf State's communications system's capacity has heen nearly saturated and a backup is needed.

Cable and Wireless would like to see an early agreement among Gulf governments for the installation of a subolarine cable between Bahrain, Qatar and the Emirates and possibly hringing in Kuwait, at a later

Revenue from telephone use increasing — and sion plan over the next five monthly average of around costs from New years covering the installation of more telephones (12 new lines a month) and the operation of a second satellite station which is due to bring in an endeticed of the station of a second satellite station which is due to bring in an endeticed of the station of a second satellite station which is due to bring in an endeticed of the station of a second satellite station o tion of a second sate in a same which is due to bring in an additional 1,300 voice grade staff will be bandling a telephone and Telex bill of possibly \$21,300 a month.

Scene two is in the front seat of a battleship-like, air-conditioned American car gliding through the streets of Manama. The owner is anxions to impress after being shown how it is possible to dial directly from a car in Bahrain to the British Post Office's London Weather Service and hear a rather bored voice tell of the danger

charges would be sstronomical

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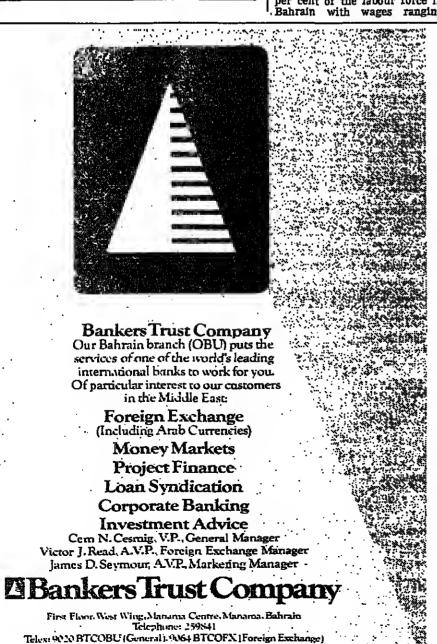
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A wide range of priorities

THE LOOK is deceptive and it is going to become more so. Bahrain is a developing country despite the impressive exterior of its service industries, its plush banks, and its comfortably

introduced.

to accelerate their training programmes. The Minister of

Labour recently introduced a

training levy for firms without

Bahrain where in some cases

no effort was made at training

workers taken on only for sbort

conscious of the need for train-

Technical college and is now

term contracts.
The Bahraini family

boused expatriate community. As polished marble goes up on a new hotel, an Arab family in a small pickup truck calls at the Middle East block factory to take away a load of blocks to start building their own house in the small communities clustered around the fresh water springs which give Bahrain its unexpected and welcome patches of green.

Battles for literacy, improved low income housing and social services go on alongside projects to expand the telecommunications network and to introduce new specialised technology.

The road soutb on the eastern side of the island towards the oil fields is dotted with small well-head pumps, some with their long booms painted to resemble grasshoppers or giraffes. But the oil they pump out is running out by about 5 per cent a year and Bahrain is having to rely on its wits about the future.

Centuries as traders and an early start to education—the first school was in operation hy 1919-bave given Bahrainis a

good start in adaptability.

Bahrain is diversifying its interests to try to become the centre in the Gulf for services stretching from finance and communications to travel and fuel-related industries. Its venture into banking bas been spurred by the demise of Beirut as a financial centre. Facing some rivalry from Dubai, Bahrain is quickly developing its telecommunications to offer interretional banking a good international banking a good link between East and West in

an Arab atmosphere.
The ruling family under the Amir, Sheikh Isa bin Sulman Al Khalifa, appears ready to accept some of the disadvantages in preparing for this diversity: namely, the great dependence

bank, a son studying electronics at the Caale and Wireless trainon expatriate lahour—now forming centre and perbaps others of his four children (the average family is six) at school.

QUALITY OF LIFE

MARK MEREDITH

ing 3ā per cent of the workforce and likely to increase with further industrial specialisation. Although this figure is the lowest in the Gulf, expatriates About 65,000 children attend occupy jobs from the lowest un-skilled labourer to top manager. school and soon education will be compulsory up to the age of 16. Some 3,000 students go abroad to study, about 200 of them with Government The process of Babrainisation will take a long time as new services requiring new skills are bursaries. The well-established Nevertheless, Bahrain has a Gulf Technical College could possibly join in a University of the Gulf, with the College of tradition of running its own affairs. The civil service is almost totally Bahraini and ranks in efficiency with any British provincial administra-tion. Key Bahraini industries Arts and Sciences that already

Pampered

such as Aluminium Bahrain (ALBA) and Bahrain One priority will be the creation of a medical faculty to bring more Bahrainis into this profession. About 65 per cent Petroleum (Bapco) are largely run by Bahraini workers and junior managers.
The Government has put conof the island's doctors are expatriates. siderable weight on companies including foreign organisations

Nursing is popular among Bahraini girls. A college of Health Science is already contributing to the nursing and bealth education fields. Health clinic and bospital

their own training schemes.
The levy extracts 4 per cent of the composite wages of expatriate workers and 2 per cent of the Bahraini salaries for a contribution towards training. care is free, although recently a new private hospital was built absorbing medical staff who could bave been used in the The decision was partly aimed at correcting abuses in the construction industry inside public sector.

"Some people are ready to pay to be pampered," commented one senior Government official. Bahrain's new central hospital was recently opened and semi-private care is available for those willing to pay.

Despite the do-it-yourself ing and the man bullding his bent in housing, the achievebouse of the blocks from Middle ments in housing are extensive East block factory probably has a daughter who trained at Gulf over 5,000 bouses were built in the three years since 1976 and a second three year plan is now working as a secretary in a

The "blitzkrieg" approach by the Ministry of Housing in its first three-year programme virtually eliminated the worst housing problems—such as those of the "barasti" dwellers, people who lived in houses made of palm leaves and packing cases. The housing abortage was caused by two factors, the steadily increasing population of Bahrain and the growing desire by newly marrieds to live on their own, rather than with in-laws. The increasing number of women in the labour force makes this economically feasible.

Government-provided housing is heavily subsidised. Rents are based on the need to recover construction costs over 20-2a years and influenced by the ministry's desire to keep them at under a third of the occupant's income. Those with sufficiently high incomes to finance the construction of bouses can receive assistance with the purchase of land. A new housing bank is due to start functioning this autumn.

Women represent about 12 per cent of the workforce and a few have reached senior positions in both the privata and Government sectors. But tradi-tional restraints still prevail and, in the view of one bigbly placed female. "there is equality only on paper."

Public values and attitudes have been influenced by this year's revolution in Iran and the increasing contacts with Bahrain's vast and more conservative neighbour, Saudi Arabia. These influences have tended to make more delicate Bahrain's more tolerant ap-proach to the sale of alcohol

industries. Like oil, Bahrain's water is also running low. Water is drawn from three giant aquafers which stretch like vast coal seams from the Saudi Peninsula under Bahrain. Exteosive drilling by both countries bas re-

and the expansion of its leisure



A shopping street in the centre of Manama

duced the pressure within the more on insulation against the aquafer and sea water has sun. Some of the old Arab started to seep in. To reduce houses in the capital have walk the dependence on the aquaters, three feet thick and roofs of spring water is now mixed with water produced at two desalinating unils for domestic consumption. Some holels have their systems are also being urged own filter systems to make the on consumers. water more palalable.

Sewage treatment plants are planned over the next few years and one priority is th use purified water for agricultural

A consumption graph marked relaxation of Bahrain will red on the wall of the attract the Saudis.

retricity Board records heavy

The hotel industry is counting the summer on the causeway making Bab Electricity Board records heavy peaks during the summer months during the late morning and evening as the air conditioners strain against the elements. But taken on a yearlong basis, the capacity of the power stations (an additional turbine is about to bring total capacity up to 450 MW) is only 40 per cent utilised.

urging builders to concentrate

Some of the old Arab woven fibre which remain mich cooler than modern structures More efficient air conditioning

When the 25 km causeway linking Saudi Arabia to Bahran is complete, new forces will come to bear an the island Traffic between the two comtries is expected to escalale Another service—power—is the wealth of Saudi Arahia may under heavy pressure from the seem more accessible to trained thousands of air conditioners. Bahrainis but the glitter and

rain a popular weekend resort for well-to-do Sandis, but there is also some apprehension as to the social side effects of mak-ing the island a recreation spot for Arabs from less permissive states. Besides filling discos and hotels, the causeway merchants on the island are counting or The Government is now the causeway creating a boom ir retail sales.

Important labour force

EXPATRIATES ARE present in far smaller numbers in Bahrain than in the other Gulf Emirates, where they mostly outnumber the indigenous population, but they are an important element in the State, nonetheless.

expatriate labour are Western Europe and the Indian sub-

earning opportunities give him a real income far better than Those who stay any length of time—the average stay is two to three years—often find it difficult to accustom themselves to the living standards and spending patterns of Europe where taxation is heavy and servants are expensive.

expatriates now form about 35 per cent of the labour force in Bahrain with wages ranging

EXPATRIATES

The two main sources of

For the Westerner, those

It has been estimated that

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from as little as \$100 a month Education which keeps an eye continent and people from both for a Pakistani labourer to on standards and on compata golf and sailing clubs. are attracted by the greater around \$3,000 a month for an bility with Islamic principles. The sporting activities have around opportunities in the American banker.

to the demand for cheap expatriate labour from Asia. his counterparts back home. Numerous Thai and Korean workers are also to be seen in the island

Babrainis do not appear to resent the presence of foreigners and many of the more educated and travelled Bahrainis have adopted some Western living standards and habits. But naturally when there is a public outcry over such things as the scarcity of cheap bousing, rents or servants wages-foreigners are given a large share of the blame. And Bahraini graduates, like their counterparts worldwide, usnally fail to understand wby an expatriate with ten years' experience is doing the job for

which they have just qualified. In the past three years, there has been a dramatic improve-ment in the standard of living for Westerners. The quality of houses is much better the range and regularity of supply of con-sumer goods and food is also considerably improved.

The major car agents have made a conscious effort to improve their services to buyers and the island's hotel and cater-ing industry is going flat out to attract largely Western custom. Western ideas on retail competition and marketing are beginning to take root in Bahrain.

Schooling

The major problem for Europeans and Americans is still the schooling for their children. The employees of the oil com-pany, Bahrain Petroleum, have their own primary school at Awali, the oil town. But the others have to send their chilothers have to send their children to one of the relatively small number of commercial primary schools, demand for primary school places still outstrips aupply and the problem is exacerbated by the increasing number of educated Babrainis sending their children to the English language schools. (The Bahrainia sea the expatriatestaking their places)

taking their places). At secondary level the short-age of adequate education facilities and places is acute and the prospect of costly boarding school in the bome country bas to be squarely faced.

Schooling is not cheap. However, as Western expatriates have few other demands on their income—there are no taxes, house rent is usually com-pany paid as is at least one trip home—the dent is not proportionately very great. Many em-ployers in the island belp with school fees for teenage children at boarding schools in the bome

Indians is under construction leagues as can be invented. with money raised by donations from private individuals, some

events. fits in with those of the educa-tion systems in Pakistan and India so that children can be moved between the two. On the whole, however, the Indian or Pakistani of clerical and nationalities) is long. or Pakistani of clerical and managerial class tends to stay longer in Bahrain than his Western equivalent. For all communities free

most Westerners go privately. The private and State bealth systems are closely integrated, doctors working mornings for the government are encouraged to run private clinics in the afternoons charging government regulated fees.
Pay beds are available at the

ties bave been greatly improved in the new huilding. There is also an American mission bos-pital and a new all-private hospital. Indians and Pakistanis (and

Westerners as well) wishing to work in Bahrain are subject to health checks before residence visas are granted as many arrive with latent diseases, par-ticularly malaria. But these are now largely problems of the past and they affected mostly the labourers who lived in insanitary conditions in Babrain which exacerbated any health problams they might have. Active lobbying of all Arab Governments by the Indian and Pakistani authorities has somewhat improved the lot of their lower paid, in terms of wages

and accommodation.
The Pakistani authorities, for example, insist on a standard form of contract between employer and Pakistani employee specifying a minimum wage, term of employment,

wage, term of employment, accommodation found and other related conditions.

It is almost as difficult for a Pakistani with no particular skills to leave Pakistan as It is for him to enter a Gulf state. Arab labour importers were not the only exploiters of the underprivileged—both Pakistani and Indian Governments have other states in the Gulf. To those who bave never visited the Gulf it may seem trivial to judge the quality of life by the availability of alcohol.

But it is a good Indicator of Bahrain's tolerant attitude to the expatriate that he should not be asked to modify his life style too mucb when coming to Bahrain. Bahrainis themselves Indian Governments have Bahrain. Bahrainis themselves cracked down on fraudulent do not nonceably abuse the labour bureaux in their own availability of liquor (the same countries. And yet nationals of cannot be said for all both countries are prepared to Westerners) with a few excep-pay as much as \$1,000 for the tions for teenagers. papers to get them into Bahrain.

expatriate who employs a part-time houseboy will find that his "boy" works at about four dif-fereot bouses each doy. Both Western and Asian expatriates bave ample oppor-

tunities for a wide variety of leisure pursuits ranging from tbe largely Indian and Pakistanl films at the main cinemas to

American banker. (no teaching material that could been mostly organised by the Tbe spending power of the be considered offensive to expatriates for themselves—the Western expatriate bas added Arabs or Islam can be used). Bahrainis, like the other Gulf There are also schools for Arabs, are crazy about foothall, the other main categories of support numerous teams both expatriates, the Indians and in the region and in Britain, Pakistanis. A new school for and participate io as many Gulf

There are two golf clubs and two salling clubs in Bahrain. state assistance, and charity as well as a rugby club and various nationality or profes-The curricula of these schools sion clubs such as the British its in with those of the educaclub and the Bapco club in

Bootlegger

The fundamental difference between Bahrain and its health care is available, though immediate Gulf neighbours in terms of leisure is the discreet but legal presence of alcobol. Buying beer or Scotch in Bahrain is as simple as buying it in Britain - you go to an off-licence. In some of the other regulated fees.

Pay beds are available at the know a friendly bootlegger or know a friendly bootlegger or make your own, while in the more tolerant you can acquire the appropriate import or purchase licence.

The resurgence of the public observance of Islamic principles combined with the influx of expatriates bas led to some tightening up of alcohol sales in Bahrain. Hotels and restaurants (not all of which are licensed) keep British pub hours as do the off-licences which have been discreetly banished from the centre of Manama to the suburbs. Fines for being drunk in charge of a motor vehicle are heavy— \$1,300 plus seven days in jall and penalties are likely to incresse.

Sales of wines and snirits are reliably estimated to be worth \$15m a year, or roughly \$50 a head—though the figures are not officially recorded. However, considerable allowance bas to be made for the leakage factor -also known as unrecorded re-exports or smuggling-to other states in the Gulf. To

As Bahrain has decided that Once in, they have to take two its future depends nn being an or three jobs at once in order efficient service centre for the to be able to remit money and Gulf. a point of exchange country. The schools are pay off the agent who brought between the West and Arabia, supervised by the Ministry of them in. Many a Western this tolerance is vital.

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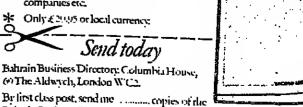
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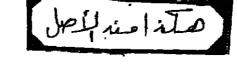
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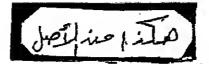
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THE ARTS

toria and Albert

The Garden by Antony Thorncroft

course it is just the Eng-garden, with the Scottish ed a few tucked away metres; but the English through the ages has ned such an abundance of

glind. It's currently for gardens and a keen rether into their history. So
guilte appropriate that the
tria and Albert's main exhia this year should celebrate
a chief gardens and the landscape which set off the palaces
and the major houses. This
exhibition makes good the gaps
exhibition makes good the gaps
with a vengeance.

in knowledge with a vengeance.

It is the factual side of gardening the innovations, the ned such an abundance of imports, the trends, the philo-oots that the space that sophy, the heroes — and the seems. This is very much scientific survey have come up grounds with the great house.

tradition owed a great deal to upon poles to enhance the royal - The exhibition is laid out french and Italian ideas) and splendour.

The large geometric bird's maze, with the green carpets wonder he is Dr. Strong's bete eye view paintings are the glory nicely lined, like a well mown of the exhibition. The best come lawn. The educational intent noire and gets just a scathing aside. Instead, the formal gardens of the 16th and 17th

from Paul Mellon's collection in gardens of the 16th and 17th the U.S. and combine intriguing centuries are here revealed once again in artistic splendour through a succession of magnificent paintings, often by Dutch Siberechts, even manages some arcadian mountains in the back-ground. The later paintings tend to concentrate on pretty 19th-

e Victoria and Albert a historical survey and anyone un stands on the site of correcting a concentrated Kew or a walled-in Wisley will be disappointed. It is likely to fascinate the open minded non-ingular in the first great horticultural on-the-boots man for it tells a figurial. It is current directory, which is a great for landscaping in the early 18th on-the-boots man for it tells a fascinating story and one that of pardiens and a keen relation of the strong is a great deal of the victoria and Albert a historical survey and anyone with such a pronounced rene-carly as 1547 in the impressive by lady artists like Helen man most people have portrait of Henry VIII, plus his associated with the history of children and his favourite wife, the English garden. His passion of lampton Court on the boots man for it tells a total time on the hackground, with the French-inspired for landscaping in the early 18th century destroyed the traditional English garden of the embellished with an English Pleasance," and some robust tradition owed a great deal of tradition owed a great deal to upon poles to enhance the royal or the exhibition is apparent as century cottage garden scenes deally as 1547 in the impressive the fartly as 1547 in the impressive charly as 1547 in the impressive the man most people have portrait of Henry VIII, plus his associated with the history of children and his favourite wife. Jane, with the French-inspired prictures are an Atkinson Grimschape of his wife "In the embellished with an English garden of the man most people have portrait of Henry VIII, plus his associated with the history of children and his favourite wife. Jane, with the French-inspired prictures are an Atkinson Grimschape of his wife "In the embellished with an English garden of the man most people have portrait of Henry VIII, plus his associated with the history of the man most people have portrait of Henry VIII, plus his associated with the bistory of the man most people have portrait of Henry VIII, plus his associated with the bistory

nicely lined, like a well mown lawn. The educational intent is there from the start with a. narrow passage devoted to gardening tools opening up into a display of captivating historical hooks. Once you accept that you are not going to meet shrubs and flowers you can relax and enjoy a profusion of detail and an intriguing story. But the senses are satisfied along with the intellect. As you make your way through the centuries you catch the gurgle of running water, from a fountain, and hear the sad precise notes of a harpsichord accompanying slides of vanished gardens. There are four more audio-visual presentations including one on cottage gardens with bird song support —and .seats to support the

fatigued. This is an important exhibi-tion, providing scholarship where it has been lacking, but also plenty of charm. Gardens are to be enjoyed and although the freedom and the freshness of the outdoors are missing there is beauty in the pictures and illustrations, and stimula-tion in the unfolding story. And able to offer strawberries and cream in a pavilion constructed in its courtyard. Already an aviary is in song, for although the heart of The Garden is the formal history, room has been found for cottage gardens, berh gardens, hotanic gardens, municipal parks, vegetables, the whole wast store-house of nature which the English have always so successfully captured inside garden walls. The Garden is open until



is Town Hall

Orchestra :

by RONALD CRICHTON

enlivened by an occasional whistle or thwack from the

orchestra may not agree, halance

Among the soloists was a

Dutch baritone who happens to

be an admirable French stylist. Bernard · Kruysen, who for

some reason we are not allowed

to bear in the song recitals at which he excels, has a voice on

the light side for Mephistopheles

but the use he made of it in diction and phrasing was exem-

plary. The Marguerite of Isobel

Buchanan was the opposite—an

organ of radiant promise with-

out as yet a sense of style to

match. Few young singers com-mand the right simplicity for the King of Thule Ballad, but

there was beautiful singing in the Romance, and here Miss

Buchanan wisely did not imitate

the over-expressive phrasing of the cor anglais. The Faust was

Peyo Garazzi, producing some

The Liszt Concerto on Friday

was played by Victoria Postni-

kova with the warm, fluent sen-

sitivity that also embraces the extrovert side of tha music and

triumphed over a suspicion of

bad tuning (heat in the ball

playing havoc, perbaps). In Brigg Fair Gennady Rozhdest-

vensky easily found the key to the supposedly esoteric mysteries of Delius. Rozhdest-

vensky's Chaikovsky Fourth, as

one would expect, was brilliant. A great amount of detail was

insistence on polish was never

allowed to interfere with rbythmic flow, even in the finale.

Though the legitimately theatri-

cal side of the music was

stressed at the expense of the dramatic aspect, this was an

Smith to head BFI

The new director of the

illuminating reading.

was about right.

Leeds Festival closed at harmonic Charus, mustered ekend with two hig. full some 150 threats. There was a i concerts of the tradi- degree of segregation unusual kind still justifiable in these days-ladies and gentleed they are good. These men separated by a wide very good. The BBC chasm of percussion. Ensemble cony Orchestra was heard exparently presented no probcessive evenings under lem but one was aware that onductors (Rozhdestven-Friday, Mackerras on ay) to whom it responds the keen sound of the women's voices suited the music (and the French language) hetter than that of the men, keen in the will. Liszt, the festival er, was represented on by the A major Piano other sense but sometimes strained. In general, though diehards who still helieve that amnation of Faust of balanced the Faust such occasions should consist of ony played at the openan avalanche of choral tone

icert a week earlier. Domnotion was highly i and highly coloured. iarles Mackerras knows igers of the Town Hall as most conductors. He sks and usually won. A ing amount of the proimaginative detail with Berlioz shaded his score w came through the fog—not only points ly made like the hellish in the Ride to the Abyss icate ones like the spirit-(which included an un-

well-judged Minuet). ature that worked less an one expected was the lous use of bugle calls atches of distant song aoldiers or studentsvere too actual. too bear. the whole, in spite of edges softened and lies piling up, the extended was a good deal richer earing this work in the refrigerator on South

Festival choir, augmented men of the Leeds Phll-



nbertin Clos de Beze listinguished ambassador from France.

British Film Institute is to be Mr. Anthony Smith, a former producer with the BBC and more recently a Fellow at St. ped by Bouchard Ainé Anthony's College, Oxford.

Architecture

BC Symphony | Living museum at Ironbridge

by GILLIAN DARLEY

sadly the fine interior details

mansion have been obliterated

in recent years and the trust

the shell.

the sturdy 18th century

with mausoleum. Yet the new breed of museum is far from morlhund and the fascinating complex of buildings that makes up the Ironbridge Gorge Museum is the best possible proof of that.

The physical pattern of the museum is perhaps the key to its effectiveness in evoking the past—in this case the very beginnings of the Industrial Revolution based on the technical innovations of Ahraham Darby's method of smelting iron, and the industrial powerhouse that sprung up in the Severn Gorge as a result. The various displays and buildings within the museum are therefore widely scattered, and coexist within the modern communities of Coalbrookdale (still with an iron foundry in its midst), Ironhridge and Coalport. Such a setting prevents the static, hermetic atmosphere that pervades so many museums and allows for a constant link with reality. Future plans for the manufacture of tiles and wrought iron goods will re-inforce this healthy relationship, continuing the historic skills of the area and providing an additional economic basis for the museum which functions as an independent trust.

Astonishingly, the first part of the museum to open to the public, the Blists Hill Open Air

New history of Oxford

ringing phrases and some stodgy, incloquent ones. The part needs a quality of thoughtfulness rarely given to tenors who can match the physical demands. A new history of Oxford, the first to he hased on a full range of original manuscript and printed sonrces, has been published.

The book, which is a landmark in recording the nast of the city, is the 10th to he published in the Oxfordshire set of the Victoria History of the Counties of England.

It is the result of several years' work by a small editorial team on the staff of Oxfordshire County Council. The council co-operates with the University exhibited in unwontedly of London to prodoce the polished condition, some of it volumes which are also sup-in unusual relation to other ported by contributions from the in unusual relation to other ported by contributions from the detail. With immense skill this University of Oxford and other institutions.

> The Oxford Volume, edited by Alan Crossley and published by Oxford University Press for the Institute of Historical Research, follows the pattern of other Victoria County History volumes by going back to original source material for its information.

The history complements Volume 3 of the Oxfordshire set which dealt mainly with the university and colleges, but is not concerned solely with "the other Oxford," for tha interplay of town and gown in the city's life is central to its theme.

The word museum has a Maseum, was inaugurated as before returning to its place of rather grim ring to it, possibly, recently as 1973. Since then, as Sir Ernst Gombrich pointed our recently, because of the unfortunate, fact that it rhymes was inaugurated as before returning to its place of manufacture.

Seems perbaps even too rework in this country have strained: the distanced effect of architectural oddity of the fortunate, and the rate of one a year and this ordinary of the recently, because of the unfortunate fact that it rhymes year sees two additions. One, museum—the Gothic castellated visitors to Edinburgh last year trifle indistinctly uttered. Soon,

already presenting its second exhibition, is in the converted coachhouse adjacent to Darby's house in Coalbrookdale itself, as the Severn Gorge was Here the recently acquired Elton Collection is the focus adaptation of the warehouse to and Sir Arthur Elton's unmesenmuse, carried out by matched treasure chest of relics of the Industrial Revolution, its art, literature and memorabilia, has found a home which shows it to best advantage. Plans are afoot to turn the house, the The warehonse and its wharf, from which the Ironbridge Grange, into a museum commemorating Darby himself; can he seen sloog the river,

will start with little more than The major event in this Bicentennial Year of the bridge itself-the visual and symbolic centre of the museum-will he the opening, in early July, of a three-storey brick warehouse in Coalbrookdale as a Museum of Iron. The ground floor, just opened to the public, is the sales and information area. The first floor will demonstrate the pro-cesses and technical aspects of iron, from raw material to finished product, and the second floor will present a display of the range of objects manufac-

Appropriately, the huilding itself, dating from the 1830s—its clock-tower was added in 1843 is supported on cast iron and columns throughout. Its original windows are of cast iron and achieved within the past five

tured st Coalbrookdale, and

Severo Warehouse which traces the history of the "most extraas the Severn Gorge was characterised in 1800. The mesenm use, carried out by Rohin Wade Design Associates who are the consultant designers to the trust, has been skilfully handled. The conversion earned a Civic Trust Award in 1978.

illustrate another aspect of the

Gorge In its heyday. Observers

Glyndehourne's account noted that there might he 150 the most beautifully sung, the vessels on the Severn, and this activity, surrounded by the helching smoke and leaping flames of the foundries struck visitors as an astounding scene. One engraving shows the Gorge in 1758, seen from above: the pastoral calm of the fields, hedges and woods in the fore ground, the hillowing clouds coming from the valley bottom rising up, as from an inferno beneath. Long since the area reverted to a more rural, slightly decrepit existence. In 1912 it was "an uninteresting and somewhat squalid town."

In 1979 the Ironbridge Gorge is being transformed. The second largest employer in the area after the ironworks, the Museum, is an industry itself. Garlanded with national and international museum awards, Iroobridge is not, however,

the principal eye-catcher on years and that, with it, has it is at its centre a profoundly the ground floor is an exuberant come renewed life for an entire moving emotional drama, a slow, forntain depicting Cupid and depressed region says much for the Swan (supposedly based on the new thinking in the museum wards reconciliation. Scenes of the new thinking in the museum wards reconciliation. a less innocuous Greek subject, world. Ironically, and benefici-Boy strangling a Goose). This ally, sited within Telford New flamboyant creation was part of Town, Ironhridge Gorge is no



Glyndebourne

Il ritorno d'Ulisse

by MAX LOPPERT

The famous Glyndebourne smaller though no less loving formance. Richard Lewis as the production of Monteverdi's II duct between father and son old sleepherd is in wonderfully ritorno d'Illisse in patria, first earlier on, are the most im- wise, kindly form. Irus, the ritorno d'Ulisse in patria, first earlier on, are the most imsoon the V and A hopes to be given in 1972 and revived the flyndebourne other recognicies, is less a "cavaliere able to offer strawberries and following festival but not following festival but not thereafter, returns this year in splendour. Raymond Leppard is once again the conductor of the London Philharmonic; Peter Hall's original production now falls to the care of Patrick Lihhy; Richard Stilwell is again Ulysses, as be was in 1973; in the role of Penelope.
a successor worthy of Janet
Baker has been found in Frederica von Stade. Though the Monteverdian who has heard the opera in the purer, simpler manner of realisation that followed in the wake of

(and in reaction to) Raymond Leppard's version must inevitably find things to criticise, soly and things to criticise, Sunday's performance left as a whole an indelible impression: the kind of performance that one imagines will stay golden and lustrous in the memory for years to come.

showed—as it were by default—that by Monteverdi and his librettist Badoaro the depiction of emotional deprivations, flowerings, and fulfilments was sufficiently powerfully made to withstand even the monstrous vulgarity of Jean-Pierre Pon-nelle's production. Kent Opera bas performed Roger Norrington's edition of the opera-the most faithful in style, and in performance demonstrating that the simple, sparse sound of authentic Monteverdi need not entail austerity or dullness.

most sensitively staged, the most eloquently acted of these. It displays to the full the grandeur of the musical and dramatic design. The almost uniform confidence and clarity of the singing guide the ear into noticing how cunningly the scenes are laid out in terms of vocal disposition. In sceoes for male voices, for female voices, for voices io contrast and in chorus, in scenes that begin as solo declamation and proceed to draw in contrasting vocal sounds and colours—in these and related matters Monteverdi's mastery stood newly apparent on Sunday evening. Mr. Leppart may have reduced the number of scenes. transposed vocal lines, and added to the total amount of chorus activity; he has not tampered intrinsically with the

unfolding of the grand design. Though Ulisse is many things. meeting by people long separated form, indeed, the periodic clinching points towards which the lines of drama tend. The final duet between hushand and wife, and the

tions and reconciliations - between Minerva and Ulysses. Telemachus and the shepherd Eumaeus, Telemachus and Penelope, even in the final summil conference of the gods -stir our emotions, not only because the music means them to be so stirred, but because the cast has been schooled to draw from these scenes their fullest emotional impact. The stage is ever a study

in tenderly unforced, noble Frederica demeanour. Stade's final slow unhendingthe moment at which she first moves her hands after what seems eons of willed stillness, the point at which she first darcs to permit berself to smile - I had to follow through a mist of tears. Not because singer (or, of course, composer) was nndging, Puccini-like, al the emotions; precisely because she This great opera seems the (and be) were not. At first, greater with each bearing. Miss von Stade's Penelope trifle indistinctly uttered. Soon, the exquisite purity of her per-formance — pure in vocal and dramatic line, in intention and statement - revealed the greatness of the role.

Mr. Stilwell, after a slightly clouded start, proves her true partner—nohly haodsome. unexaggerated whether in disguise or in propria persona, fine-grained of tone and line. Newcomers to the opera at Glyndebourne include Ann Murray's hrighl Minerva, another admirably sure portrayal by this valuable young singer; a very touching Telemachus in Patrick Power from New Zealand; and the fresh, musicianly voices of Diana Montague and Lynda Russell in the Prologue and Keith Lewis and Claire Powell as Jupiter and Juno. A touch
of Italianate warmth is added
by Max-Rene Cosotti's Eurymachus and Nucci Condò's old nurse tthough Italian enunciation is for the most part well studied throughout the cast.

nicely rounded, individual per-

panciuto" in Alexander Oliver's keen playing of him than a Shakespearcan court eccentric. been fully praised on this page before. An unforeseeable mechanical accident shortly before the commencement of reliearsals has diminished the ambit of the acrial encouoters; has nothing to complain of in the elegant slow descents of the flying machines. Apart from suggestions of uncertainty in the early staces of the evening. Robert Bryan's lighting explains what is meant by the phrase "Glyndehourne standard,"

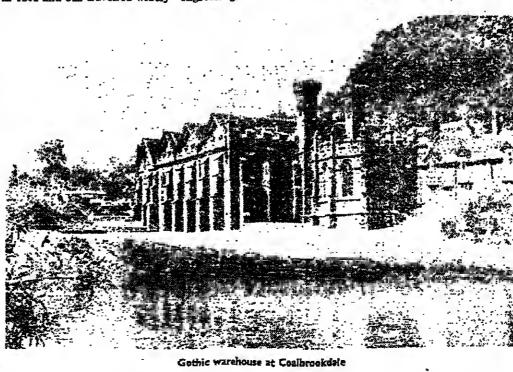
I don't propose to repeat in detail famillar charges against its omissions (while there is evidently more music in the Glyndebourne Ulisse than before, a delightful little scere such as the second hetween Penelope's handmaiden Melaotho and Eurymachus is still an unhapor deprivation). tures (the T.PO played them meltingly), its trickse changes of contlone, and the conductor's hushed way with omotionally charged sentences and paraeraphs. I renroach Mr. Lenpard for putting Penelone's line un an octave at climactic moments: recore who has heard Sarah Walker's Penelone for Kent Onera will know how expressive and dramatically apt the original, low-lying line can be made to sound. And above all this, I recognise that the strength of Glundehourne's Illisse, and its success as a radingt, impresipped evening of music droppe, still find their incolnation in his unique qualities of commitment to 17th cen-

Chark Terry Band in Birmingham and London

The Clark Terry Big Band studied throughout the cast, these native Italians remind us what is missing).

From the first cast, the suitors (Ugo Trama, Jobn Fryatt, Bernard Dickerson) return, each a nicely rounded individual part. Monday at 7.45 p.m.





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Tuesday June 5 1979

Industry feels the squeeze

UK husiness opinion present a increase much more menacing. picture which is at first sight rather encouraging. Output and orders have recovered quite sharply from the disruption of buoyant. Confidence in general has revived, partly as a result of the change of government, especially because businessmen feel in better control of their uwn affairs-especially of their

Imports

Bencath the surface, however, there are some clear signs of difficulties, vurrent and prospecive. The clearest is the fact that despite a consumer houn, is now well into its second year, home orders are still below the level which some four-fifths of husinesses would welcome. This state of affairs is the natural vounterpart of reports of rising import penetration in markets ranging from motor-cars to bacun.

The trade figures, due lo reappear at length at the end of this week, will show what has come intense enough to limit the been happening more precisely, but the general state of affairs has been clear for some months: manufactured imports have

purely hy survey evidence, has what behind schedule, and oil been a good deal hetter, with orders and deliveries showing a relatively healtby trend, demonstrating again the sharp contrast helween the leaders in the Industrial field and the laggards. The vast hulk of the export trade remains in the hands of a relative minority of companies, who have had a long education la competing world wide. The home market, by contrast, seems to present a soft underbelly, in which many enterprises which were to some extent shellered as long as sterling was weak have rapidly been losing ground to competitors from overseas.

THE MOST recent surveys of costs; hut it renders the cost It can be guessed with some confidence, indeed, that a major part of the investment now planned in manufacturing is intended to contain this increase the winter, and investment in wage costs, rather than to add intections remain relatively to capacity. As British wages, a the actual exchange rates ruling begin rise towards the much higher hourly rates ruling in most European countries, a rise in productivity is a competitive necessity. While industry is still planning to add to its capilal -though the rise in investment may be modest, to judge hy he latest Department of Trade survey-there has been a sharp rise in the number of concerns planning to shed labour.

Competitive pressure efficiency is, of course, a healthy and welcome discipline; but like all disciplines, it can he injurious if taken to excess. Up to now. the results have looked healthy lexyept for the non-oil trade halance). The future, however, looks more problematic.

North Sea

The disturbing thing is that the pressures should have hegrowth of output so severely at this slage of the game; for the halance of payments impact of North Sea oll-the main factor been rising very rapidly; manu-facturing output has been rising a small fraction of what it is likely to become. Last year, The export picture, to judge with North Sea output someprices in real terms still low the net contribution, after assoclated capital and invisible transactions, was little more than £1bn—little more than enough in pay our contribution to the EEC. This year, with rising outpul and rising real oil prices, it will jump sharply.

Since the present growth of consumer demand is expected to fade rapidly after the Budget, and with it some of the current demand for consumer imports, the forces driving sterling up seem likely to be-come much stronger from mid-year onwards. Unless these pressures can be moderated, petitors from overseas.

The continuing strength of sterling in these circumstances is hoth a reassurance and a method of reducing the pressures could he-come a nightware rather than a stimulus. The most direct method of reducing the pressures could he-come a nightware rather than a stimulus.

No consensus at Manila

changes in the world economic ment which ended this weekend in the world, in Manila were more marked than even the pessimists had

After five weeks the 3,000 delegates from over 150 countries were unable to agree on a Monetary Fund to developing single structural reform of the countries to offset fluctuations world's economic institutions, in export earnings, (til was not debated and even the resolutions they made were in most eases little more than calls for viriue, whether in urging more aid for the poorest of the poor or demanding a stop tu protectionism.

have taken place against a more unfavourable hackground. It came during one of the worst economic periods since the Second World War aggra-vated by the catch-ascatch-can in oil prices. But even before the latest round of this spiral the West had served notice that it was continuing the firm policies which have

world conomic order. West's objections

This firmness was particularly evident in the otatter of pro-tectionism—one of the key issues at Mantla. The Tokyo Round trade package which the developed countries agreed on two months ago avoids any ban on the imposition of selective look at the question of aelective measures against "disruptive safeguards agalost developing imports." This omission has countries imports. caused the developing countries, with the exception only of Argentina, so far to refuse to

And on Saturday a similar show of anger emerged among South issues is to produce its the 57 African, Caribbean and own findings. In contrast to the Pacific countries who suspended heated talk of today these are negotiations with the EEC over expected to analyse the economic a new Lome convention. The implications of the various proaid they were offered was, they, said "unacceptable."

Many of the demands of the developing countries were never likely to be accepted at Maniia. world's economy must revive-"genuine and fundamental reform of the international it is eventually beld in three to monetary system" and the calls four years' time, must be as for introduction of an "equit-

RECENT YEARS have seen the waxing and recent munths the Bretton Woods institutions" waning of the helief thal major which the developing world had made. The West also objected to a legally-binding intersystem can he reached by national code of conduct governconsensus. But the failures of ing the transfer of technology the fifth United Nations Con- and to demands for a structural ference on Trade and Develop- change in the division of labour

Bul on some other issues there seemed hope that agree ment could be reached. One of these was that more compen-satory financing should be made available by the International

That so little agreement was reached in part reflects the differences of views between the 119 developing countries present in Manila. Arguments over Iarael and idealogy weer perhaps inevitable, as were clashea The conference could hardly of interests between countries as different as Chad and South Korea.

But perhaps more important is that the overal atmosphere is different from that prevailing when the North-South dialogue began. With an economic criais knocking at the door talk of obligations has been replaced by a colder approach by the Weat in which "mutual benefit" is characterised its recent approach assessed and the interedepen-to demands for change in the dence of the world economy is

> It is such attitudes which are likely to prevail in the various International hodies-moat of them less favourable to the developing countries than is UNCTAD Itself-10 which many of the issues detated at Manila have now been referred. In two weeks GATT oray take a fresh

> The whole process of changing the world through consensus has, however, lost much of its steam. Later in the year the Braodt Commission on Nortbimplications of the various pro-posals heing aired. They could thus play a useful educative

But for action to follow the The West had set itself against and without this revival the prospect for UNCTAD VI, when

How Muldergate caught up with Mr. Vorster

By QUENTIN PEEL in Johannesburg

of the traffic in Johanneshurg: "Special edition. Vorster re-slgns. Christmas today." Mr. signs. Christmas today. Mr. Balthazar Johannes Vorster, for 11 years probably the most powerful Prime Minister in South African history, and lately of the state presidency, was for hold supporters and opponents alike the epitome of white rule in South Africa. His demise. accused of lying to an inquiry he himself appointed, of shared responsibility for misappropriation of state funds, and in effect of weak and incompotent government, means the destruction of a legeod of Afrikaner nationalism. For black

His resignation does not lessen the iron rule of the National Party in South Africa, nor undermine the machinery of state control, police and military, which he helped to create. But it is a major symbolic blow to the system. The seeds of his self-destruction were certainly sown in that very

nationalists, it is the end of a

hitter and ruthless enemy.

They were sown in the unchallenged political power of a party which has ruled for more than 30 years, and has just won its higgest majority ever. They were sown in the secrety of a ruling elite mistrustful of anyone outside the Inner circle. They were sown in the selfassurance of a puritan ethic, and in the narrow-minded nationalism which saw double standards in the behaviour of every country bul its awn.

Finally they were sown in the promotion of three men who became Mr. Vorster's closest advisers: Dr. Cunnie Mulder. hls Information Minister, whose bounding ambition to become Prime Minister finally destroyed the whole group; Dr. Eschel Rhoodle. Secretary for Information, whose vising of a world-wide propaganda offensive became a multi-million rand system of kick-hacks and corruption; and General Hendrik van den Bergh, Mr. Vorsler's closest adviser, the security policeman whom he made an allpowerful head of the secret service, and whose evidence has finally deslroyed his mentor.

The philosophy of Dr. Rhoodle was summed up in a book he wrote in 1969, called The Paper Curlain, which has been called the Mein Kampf of is both a reassurance and a memod of requesting the provided in a world warry. It should check inflation, now apparently calching up change controls; the need now conspiracy to overthrow while before to look urgent. need to employ unconventional philosophy, and that adopted

> power of the English-language press in South Africa, almost unanimously anti-Government and anti-Afrikaner, as he saw it. Yet it was the only press that

THE DISHEVELLED black South Africa were able to read. newspaper vendor sang and therefore its liberal views as he danced in and out were liable to colour the entire were liable to colour the entire vision of South Africa pre-sented to the world. Dr. Rhoudie's answer was to goer control of an English-language publication to give the government point of view.

The first step in that grand strategy, which was finally to cust at least R64m (about 237m) in secretly budgeted government money, was taken in 1972 with the founding in Johanneshurg of a news magazine. To The Point. According to Dr. Mulder, the decision to use government money to fund government money such a magazine was taken by himself, already Minister of Information since 1968. Dr. Nico Diederichs, the Minister of Finance, and subsequently State President, Mr. Vorster, the Prime Minister, and General van den Bergh. Dr. Rhoodie. then American Desk officer in the information Department in Pretoria, was made assistant editor and government representative on the massing. Within nine months Dr. Rhoodie had been promuted to head if the Information Department. over the heads of his more traditional superiors. The scene was set for putting his ideas

Dr. Rhoodie and Dr. Mulder instantly set about drawing up a five-year-plan for their unconventional warfare. Il included two arms. At home, they would try to huy their way into the English-language press, using front operators, failing which they would set up their own purportedly independent newspaper. They also established a string of supposedly independent pseudo-academic organisalions to influence visiting dignitaries. They published a pile of glossy books and magazines through such fronts.

the cape shipping route.

Attempted takeover

General van den Bergh (left): his insistence that he kept Mr. Vorster (right) informed of secret projects brought the former into practice.

than 100 secret projects bewhich have oever been revealed, for reason of state security. Cryptic references bave heen made to campaigns in Namibia 1South West Africa) and the black township of Soweto, without any indication of what they consisted of. The secret accounts of the Department refer to pay-offs for dozens of unidentified collabora-tors, who may or may not have again purporting to give an independent, objective view. Overseas, the same sort of General van den Bergh as head of the Bureau of State Security

cluded.

strategy was used, with conferences organised by supposedly independent bodies using secret finance, and a flood of coffeetable books extolling the virtues of separate development, independent Bantustans, and the strategic significance of South Africa, its minerals, and

The surreptitious acquisitinn of otherwise independent publications was also attempted. methods to counter it. His More than \$10m was provided to help huy the Washington eagerly by Dr. Mulder, General Star newspaper. When that van den Bergh, and ultimalely failed, the money went to buy even by Mr. Vorster, was that the Sacramento Union, a local in defence of the survival of newspaper in California. A the Afrikaner nation, and thus further S1.3m was provided to Africa, "no rules apply."

One of the key themes in Dr. Rhoodle's book was the report of the Erasmus Commission's inquiry into the wbole affair. In Britain, the deparlment provided money for an attempted takeover of a wellestablished publishing house. most foreign correspondents in Morgan Grampian, owner of a higgest of all, the R32m financ- report, the Erasmus Commis-

African images

journalists, they seem not averse

to visiting public relations men.

are looming. Maurice Chandler,

campaign of the National Party.

Elections for Nigeria's Senate

will be held next month, and the

process reaches a climax in

October when the Presidential elections are beld. Alhaji Shehu

Shagari, the National Party

leader, is strongly tipped to win. Michael Rice was keen to

assure me that his company will

not be engaged in on-the-spot political consultancy—as various

British PR firms were hefore the

1966 coup imposed a 15-year interruption in civilian politics

in Nigeria. "We shall be giving technical hclp from London, through a Nigerian firm," he

The firm is now beautly

involved in the Middle East oil states—where it has, among

other activities, helped to set up

a string of museums. This may

have helped it to win a contract in Nigeria. The National Party

has its base in the Muslim north.

party-political purpose, comhined with the high-living uf Dr. Rhoodie and his friends, finally shocked enough deeply religious Afrikaner nationalists intu joining forces with the ntherwise powerless Englishspeaking opposition to expose the Muldergate. Even then, the National Party might have closed ranks to Ilmll the damage, if it had not been for Dr. Mulder's determination to hecome Prime Minister. In the end, the only way to stop himfor he was leader of the largest in much of the planning sug-gests that some intelligence provincial group in the party. the Transvaal-was to expose work may well have been inhis operation.

Since Muldergate was parl The whole scheme might exposed, the problem for the Government of Mr. P. W. Botha never bave collapsed, bringing down with it Mr. Vorster him-self as well as Dr. Mulder, his has been to limit the effects. But the affair went so near to the heart of the whole structure crown prince, if li had not heen for personal corruption of National Party rule that Mr. and the personal political ambitions of the participants. The
official inquiry has not concluded that the international arm
the sacrifice the higurehead, Mr.
Vorster himself. Dr. Rhoodie's
thesis that the rules do not of the strategy was morally apply when the survival of wrong. The purchase of shares South Africa is at stake un-in Morgan Grampian was "A doubtedly struck a chord with Bona fide effort to gain a foot- many embattled Afrikanersheld in foreign media with the and also an increasing number object of promoting South of English - speaking South Africa's interests," the Erasmus Africans coovinced that they Commission concludes. But the are the target of some world temptation of controlling so conspiracy. The Citizen news-many millions that did not have paper, in spite of its origins, to be accounted for publicly and has won a significant number which were "laundered" to the of loyal readers who welcome department through other state its extremely conservative slant.

agencies meant that the per-There has never been much sonal and public finances of sonal and public finances of doubt about Mr. Vorsier's several major participants be knowledge of, and silence about, came inextricably intertwined. ame inextricably intertwined. a large part of the information
The scheme which finally affair. Finding him innocent sank the whole strategy was the last December, in its first

string of trade and technical lng of a pro-Government, sion had to dismiss the com- to magazines. The attempt failed. English language daily news- bined cyldence of Dr. Mulder, Africa," The two men set out on more paper in Johanneshurg, The Dr. Rhoudic and General van Citizen. The use of Government den Bergh. In yesterday's tween 1973 and 1978, most of money for what was clearly a report, it accepted the word of General van den Bergh that he kept Mr. Vorster informed on the secret projects, and conmajor reason for that conclusion is that it is backed by Senator Owen Horwood, the Minister of Finance. If it were tu be proved that Sen. Horwood had hunself known about the Cillien, Mr. Botha had promised to resign and call a general election for if any other memher of bis present Cabinet had known). The only alternative was to disbelieve Mr. Vorsier, and to sacrifice him. That has proved the less embarrassing allernative.

Prime Minister down.

It is still unclear precisely how much Mr. Vorsier knew about the secret projects. General van den Bergh and Dr. Mulder claimed that he was kept fully briefed. Mr. Vursier denled II. But once he had m admll that he knew about the financing of the Citizen, he still kept silent for 13 months before he admitted it to the rest of his Ster's resignation. Mr. Botha another to be held in Dr. Mul. blamed bis ill health in the latter years of his premiership for his apparent incompetence. But it is becoming increasingly clear that the man who was rygarded as a "strong" Prime Minister was in fact indecisive and lacking in clear direction.

Even the famous detente inltiative. for which he was given some international credit as a slatesman, may not have been his own. Dr. Rhoodie has worse by the discovery of corvlaimed responsibility for him-

be "dragged kicking in

Mr. Bolha now hopes to en information alfair, in spile of the scores of projects still secret and allowing money from his former cludes that the former Prime defence budget is he used -Minister must have lied. One and that of Senatur Harwood (who appraved secret project without questioning them). He has introduced a bill in Parlla-ment which would prevent any further press investigation of government vorrupling without pernilssion from a senior la officer, If it is enacted, there is little doubt that a future Muldergate could be hushed up. Combined with legislation protecting the police, oil, strategic investments and defence, the press will soon be more fettered than ever before,

> There is no doubt that the Smith African while electorate is numb with Muidergate exposures, and there is a clear destre for the catharsis Mr. Bolha needs, Already there is a "new regime" firmly ensconced.

In one recent by election, the Nalunal party wan a record majority, in spite of all the der's former seat of Randfontem. There is expected to be a degree of abstention, and swing to the Right-wing Hersligte Nasionale Party by white miners protesting against the proposed liberalising of the labour laws.

But the National Parly will win. In the long run, however, the sacrifice of a falk hero is a hitter psychological blow, made self and General van den Bergh. one which Afrikaners will nee declaring that Mr. Vorster had a long time to live down. one which Afrikaners will need

MATTERS MEN AND

St. Paul's pulls out the stops

The guides in St. Paul's Cathedral gave up an unequal struggle in St. Paul'a Cathedral just before lunchtime yesterday. a senior executive of Michael Tourists stopped in astonishment to hear Elgar's "Pomp and Circumstance" march being played at full volume on the grand organ. The most attentive listener of all was Garry Weston, chairman of Associated British Foods: the brief recital was especially for him.

The organ bas been entirely re-built with income from a £1m gift to the cathedral by Weston's father, "biscuit king" Garfield. "As a Canadian, he was very interested in St. Paul's, with its Commonwealth links," says Weston. 'Also, my great grandfather was born within a mile of the cathedral, so my family is especially attached to it."

After the recital. Weston had lunch in the Chapter House, and was shown plans for a major redevelopment of the St. Paul's crypt. It is likely that money from the Weston gift will help with this £500,000 project. The Dean of St. Paul's, the

plaos to create a new entrance to the crypt, set up an audiovisual exhibition there, make a restaurant for visiting groups, and exactly under the groups. Reverend Alan Webster, and greatly widen the historic displays for tourists. "The catbedral has 3m visitors a year," says Webster. "It's dome is a symbol for Loodon. 1 know that if we can find the money. much better use can be made of the crypt than at present." Webster brings some of his ideas for St. Paul's from Norwich, where he was dean for

l4 years and arranged an

interpretative exhibitioo" in

the cathedral crypt. He has also

been establishing links with Notre Dame in Paris, to study

The diplomatic consequences of Sir Nico Henderson's gloomy memorandum when he retired as ambassador to Paris-teaked last week-cannot easily he repaired. But the Labour Party can at least console itself that it is not going to he involved in the rilual closing of the stable door after the borse's notoriously bad at staunching Hayward, Labour's

general secretary, tells me that some years ago the number of leaks from the party's national executive committee had reached such proportions that it was decided firm action must thought Brown was the first he taken. The result was a sub- to try his luck there, "but it's

committee of five under the really a matter for the candi chairmanship of Sam Watson, Although the Nigerians are notthe National Union of Mineably unfriendly to foreign workers' representative on the executive. Its instructions were to unearth the spies and mete now that the country's elections out summary justice. A list of vonfidential proposals, drawn up at the first meeting, duly "Fly now on TWA—and Rice Associales, flew out to Lagos yesterday to discuss the appeared on the front page of every Fleet Stregt paper the following day.

Life after death

The fortbcoming congressional elections in Mexico have led to an embarrassing revelation: the register of 28.5m electors in-cludes between 2m and 3m who are no more, in some cases baving passed on a decade ago. This would cause little comment in some places, including, it is said, Northern Ireland. But in Mexico the left-wing parties taking part in the elections for people are heing kept "politically alive."

The Minister of the Interior, Enrique Olivares Santana, admits guardedly that in certain towns "the number of electors is higher than the number of citizens." The list is to he pruned accordingly.

Palace hustings

The difficulty of getting round all the potential voters in a Euro-constitueocy clearly means candidates must pick and choose. With commendable eoterprise, the Liberal candidate for London Central, Robert Brown, yesterday tried his luck at Buckingbam Palace. It is true that peers I though

not lunatics) are permitted in vote in the Euro-elections, so in theory the Queen may herself be eligible. Brown, however, stuck bashfully to the 100-odd footmen and household servants

who live in. A Palace official said she

dates-oeople do live here and the candidates can come and canvass if they want.

"Fly now on TWA-and you can fly round trip later at half fare," proclaimed a full-page fare," proclaimed a full-page advertisement in large hlack letters in yesterday's New York Times. No sooner bad this eased the digestion of the national hreakfast than TWA announced wilb a red face that it was all a dreadful mistake The corporation was full of

regrets." It seems the advertisement had been prepared to counter the massive cut-price promotion launched by United Airlines, largest domestic carrier in the U.S., which bas just ended a crippting strike and is fighting to regain its share of the market. TWA evidently forgot the first time complain many to mention to someone that it people are heing kept "politic- bas decided against implement ing the counter-attack-yet.

Tactiess trousers

While, further east, the Poles have been feting the Pope with rather greater rapture, East Berlin has been in the throes of its own celebration-the 30th anniversary of the founding of the German Democratic Republic. Half a million members of the Communist youth organisation have been parading up and down East Berlin pledging their loyalty and gratitude to the party, and of course to the Soviet Union.

As they marched in endless columns past an aporeciative leadership on Karl Marx Alte. no-one seemed troubled by the irony that every second teenager was wearing, along with the hine uniform shirt of the Free German Youth, a pair of capitalist-made jeans, each costing £40 in East Germany.

Observer



I didn't want to be a benden, but What food is my pension waved mys?

When you've paid into a pension to make yourself self-sufficient in retirement, it is heart-breaking to have

But what else can this gentleman do? He couldn't have foreseen that the pound in his pocket would go on being worth less and less with every year that passes.

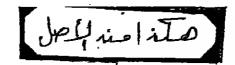
People like this deserve our help. People who have stood on their own two feet all their lives. People who have planned and saved for their old age. Inflation is no fault of theirs, yet they suffer for it.

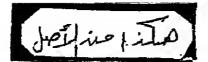
At the DGAA we do all we can to help people like this. They want to stay on in their own homes, so we help with allowances. Only when they can no longer cope do we find them a place in one of our Residential or Nursing

However we help we do so with tact and sympathy. Because we really do understand. Will you please help us to carry on? With a donation, or a legacy, too, perhaps?

DISTRESSED GENTLEFOLKS **AID ASSOCIATION**

Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AQ "Help them grow old with dignity"





Japan's exports for a changed world

By CHARLES SMITH, Far East Editor in Tokyo

rgoing a major structural export restraint in the past three yaars from "traditional" items steel, ships and TV sets towards a new generation achinery. This is apparent a study prepared by the try of International Trade ndustry which has overall nsibility for monitoring

ording to MITI steel ed its peak as contributor pan's overseas earnings in ost-oil crisis year of 1974 no less than 20 per cent of apanese foreign exchange ligs accrued to the Big rated producers.

ps and TV sets had their were already declining valna terms car exports Singapore. 9 may be marginally larger in 1978 but they will he rr, according to MITI and other observers, as a ratio al exports and may never

il exports in 1965 to one-r in 1974 and well over ird of an export total was 10 times the 1965

IN'S EXPORTS of manu- been the main targets of to the growth of exports over a red products have been western demands for Japanese given period.

tional exports have been losing victims of its export restraint ground to a new generation of policy but a short list of outproducts is, of course, the fact that severe restraints have been imposed, either by Japan or by importing countries, on shipimporting countries, on shipments of all four. The most
comprehensive restraints to
have been introduced to date
were those announced by MITI
itself in the summer of 1978 in
itself in the summer of 1978 in the form of volume ceilings on via the Siemens marketing netshipments of all four products work; machine tools almost all for fiscal year 1978.

A second set of reasons for integrated steel makers the move away from traditional chandful of smaller non-export frems includes the imted producers.

s and TV sets had their japan's export prices and the in 1975 (in terms of earnings: orders, of new industrial countries such as worse elements. Korea, Taiwan and Singapore. by that time), while the In deference to these pressures of cars in total exports and to the rise of protectionist almost certainly prove to sentiment in the U.S., the major peaked in 1978 (when Japanese electronics manufactories indicated and the control indicated and control indicated peaked in 1978 (when Japanese electronics maintained accounted turers anspended direct ahiperst under 17 per cent of ments of TV sets from Japan exports, but faced severe in North America in late 1978 ints in both the U.S. and in European markets).

Newcomers

Japanese exports of general category of Japanese hit by western projectionist which has meanwhile gaining ground rapidly in gaining ground rapidly in the products concerned are relaof its share of fotal over- tive newcomers to the market ales, is the one described and partly because, in some translising vagueness by cases, there is virtually no as "general machinery." direct western competition anyose from about one-fifth way. MITI, however is understood to be monitoring the growth of "new" exports and stands ready to issue warnings to industries which show signs by last year. General of advancing too rapidly into pery exports in 1978 were, world markets. Its monitoring

MITT has shown a marked One reason why the tradi- reluctance to identify potential standingly successful "general machinery" exporters can be compiled without too much numerically controlled; tractors, mainly below 40 horse power, although Japan is starting to make the larger sizes which will compete directly with those of western manufacturers; copy-ing machines where Japan has Successfully carved position for itself at the small end of the market; and cameras and watches where Japan has established a long lead over Europe in the application of integrated circuit technology.

> established a lead in large sized name. products as a second important factor, and the typical Japanese ability to combine two or more products into one as a third. To these three factors there could be added a willingness to spend money heavily on overseas sales facilities and a competitive situation within Japan which makes exporting inevitable.

Five Japanese medium sized companies are currently fight-ing each other in the U.S. and

1,000 Sm WATCHES CAMERAS 800 TO THE W MACHINE TOOLS 400 COMPUTERS 200 1977 1978 1974 1975 1976

is between fewer companies but is no less fierce. Basically what momentarily is happening is that Fujitsu, the leading "native" manufacturer, is struggling to increase exporters of computer con-its domestic and overseas trolled machining centres, market share at the expense of based its 1979 export plan on IBM Japan. Fujitsu sold Y26bn an exchange rate of Y190 to (£58m at the present exchange the dollar, while Ikegai (one of rate) worth of exports in 1977 the top numerically controlled and Y34bn in 1978—figures lathe makers) chose a rate of which would seem to indicate one dollar equals Y20a. These that Fujitsu is making head-

he four items which have rate at which it is contributing ferent companies are competing having been hit hard by yen can afford to cut their dollar-

economy.

(Energy Consultant),

Friends of the Earth.

Credit traders'

From the Director General,

The National Chamber of Trade

from David Churchill's report

(June 1) that the Government is thinking about abolishing

compulsory licensing under the

Consumer Credit Act. The National Chamber of

Trade has repeatedly draw

attention to the unreasonable

demands made upon smaller

hosinesses in particular by the Office of Fair Trading in this

connection. We believe the charge is too high, that the period covered by the licence

is far too short, and that the

associated documentation Is so

technically complex that it is

impossible for it to be under-

In a letter to the Department

of Prices and Consumer Pro-tection on February 5 I sald:

The regulations are almost

completely unintelligible to anyone without some degree of

legal knowledge, and the refer-

ences in the regulations to sec-

tions of the Act and the cross-references make the documents

just about as complicated and

difficult to understand as any-

person without legal assistance

or a pretty high standard of

education could possibly under-stand what is required of him

and it is important to note that

failure to comply with the regu-

lations is a criminal offence. I do hope that we may look

forward to some relief from

these hardensome and time

consuming nut-cracking sledge-

Clearing small

From the Monaging Director,

Sir,-I am grateful to your

correspondents who have

expressed interest in the cost of clearing small cheques drawn on European banks. A

Post Office National Giro account is not a complete

answer because, in the first

place, a customer bas to know

that you bave such an account

before he can use the Giro

drawn on a European bank, by

post or over the counter, there

is, so far as I know, no way of

clearing it without it being

physically returned to the

issuing bank. Would it not be possible for all the EEC countries to devise a common

system which would simplify

and thereby reduce the cost of

collecting these cheques? It

woold facilitate dealing with

the EEC and other countries.

recently was that the seller

should raise his prices to cover bank charges. This is not

practicable. Often the charges

are an unknown quantity, and

in any case it is not advisable

with prices already raised by a high pound sterling. P. N. Barnard,

One suggestion made to as

If a seller receives a cheque

Pack and Prime Lone, Henley-on-Thames, Oron.

cheques

Stuart Turner

system.

Leslie Seeney.

stood by the average husiness-

Sir,-I was delighted to learn

9, Poland Street, W1.

licensing

MITI officials say that the wholesale application of advanced electronics to everyday products is one of the main themes underlying the emergence of the "new" export Industries. They cite a readiness to exploit the smaller ends of markets in which western manufacturers have established a lead in large sized to sell computer cootrolled revaluation in 1977 and 1978. Fujitsu for example cites the machining centres. In the small reading yen as the reason why its exports slowed down in 1977 after extremely rapid growth in 1976. Nearly all the industries concerned bowever appear to the manufacturer, who will sell the established a lead in large sized name. says it could export and make In computers the competition a profit if the dollar fell as setween fewer companies but low as Y175 (a rate which was touched last autumn).

Toshiba Kikai, one of the ton rates mean that if the yen t, earning over twice as system is based on the combined European markets for way. stays where it is today, the comfor Japan's external pay-criteria of a product's share in numerically controlled lathes as steel, ships, cars or TV total Japanese exports and the while a similar number of difficulty total Japanese exports and the while a similar number of difficulty total Japanese exports and the while a similar number of difficulty total Japanese exports and the combined European markets for way. Stays where it is today, the component of the combined European markets for way. CHANGING STRUCTURE OF JAPAN'S EXPORTS (Percentage shares of \$-denominated export value)

	1965	1970	1973	1974	1975	1976	1977	1978
Textiles	18,5	13.1	8.7	6.8	6.8	6.1	5.7	4.9.
Steel	75.0	14.6	75.0	20.5	16.8	15.2	12.4	12.6
Ships	8.7	7.4	70.0	10.2	10.8	10.9	9.7	6.0
Cers	2.9	7.5	9.8	9.2	12.2	13.2	15.2	15.9
Electronic products*	4.6	. 7.8	6.8	4.7	5.3	6,6	5.B	5.8
General machinery	19.7	24.3	28.2	25,4	27.6	28.9	32.1	35.9
Otherst	30.6	25.4	21.5	23.2	20.5	19.1	19.1	18.9
Total export value , in Son	8.7	20.2	39.7	58.4	57.0	70.6	84.6	99.0

denominated export prices. For the majority of the "new export" industries, the number one overseas market both in terms of size and timing has been the U.S. Fujitsu's cotry into the American market in 1976 preceded its EEC sales debut by three years. What is

almost every company con-cerned. Toshiha Kikai which "could not believe" it could selt its machines in Western Europe two years ago is now gaining four or five European orders (worth \$150,000 each per month) against two or three from the U.S.

It attributes its success in the EEC to the failure of European companies to keep up with a domestic sales boom. Kubota explains its success by saying that western tractor manufacturers gave up making small machines (when western farms were merged into sizes which needed larger tractors) and failed to notice the growing sacond-hand market in small machines for non-farming uses.

such as machine tools where duce 100,000 tractors per year Japan's competitive strength is at its Tsukuba plant (reputedly recent, say that their customers the world's most highly autonewly established companies. The computer controlled lathe in the light tractor market would hope of getting orders from the U.S. motor or aircraft giaots, but also clear, bowever, is that do appear to be sweeping the Western Europe promises to be board in medium- and smalla valuable second string for sized industry where computercontrolled machine tools are a novelty that can be afforded at Japanese prices only. Most are confident that their markets in the West will keep on growing -always provided that MITI does not put a spoke in their wheels by telling them to adopt export restraint.

> Tooling up for the next generation of American small cars, the next generation of passenger aircraft, and the start (or restart) of oil prospecting on U.S. territory is seen as providing an almost unlimited potential market for the machine tool makers. Competi-

company wanting to challenge it need to acquire production capacity of at least 50,000 units per year, the company says. Japanese industry does not expect to stand still at the point it has reached in developing a

mated). Any European or U.S.

new generation of machinery exports. Future additions to the range (some of which are already beginning to make their appearance) will include robot and transfer mechanisms for assembly plant automation, computer software to supplement Fujitsu's present hardwareoriented export offensive, petrol injection equipment, and other integrated - circuit - controlled devices to make cars more economical and less pollutiog. With the aid of these, and a wide range of components for industrial plants and electric power stations, Japan expects to tion of course is taken for be able to pay its way in world granted but in some iodustries trade into the first half of the economies of scale bave been 1980s and beyond — assuming. achieved which could make it of course, that its plans are not Many Japanese machinery hard for others to catch up with foiled by a new round of western makers, particularly in areas the Japanese. Kubota can protrade barriers.

Letters to the Editor

e European Parliament

he age of 18 in nine united Europe. an countries are entitled t their representatives to ame countries were prefor the inevitability of other devastating war, ughout the world people ateful for the achieveof the "European idea" bas provided a secure oment for business t ample evidence of ing living standards and portunities. The citizens ope are well aware of the and. I believe, will vote astically for the concept-

rectly elected Parliament y are disappointed that upaign has failed to capbe imagination of the nd the politicians simply

oking... ead

Ит. G. Essex -Nobody cares about tha nefits will come in the not tomorrow nor even ar. Most people naturally lifficulty visualising that

luck, however, our hildren, say in the year will literally speak the anguage as their friends nany, and send a 5 Eurogift voucher to a friend

ise an ordinary UK. /despatch note in of goods supplied any-in the EEC. Our market will cover a marke n people and we will to achieve the same share as we do in the I wish to start a business own I will have six number of high al towns to choose from. entrepreneurs will be ed to the UK (witness ccess of Eire) — thus g jobs and investment. nort, Europe is a great inity, but let us not lit on too short a time-From acorns do mighty

Top, Timacre Hill, rick, Wolverhampton,

periment in v. ticipation

Ur. R. Smith -The article by Mr. in Tyler (May 22) on st Office experiment in lation contains a quota-rom one of the trade directors, as follows: ave not so much had to oles, as been presented hem. Very little has i in the way the beard operates. We are not d to formulate policies give advice on their initiatives—and that's ing of a limitation. We en by the Post Office as a slightly group of part-time Therefore our role y limited in that sense ce the board of any nterprise with part-time

is fairly represents the of the Post Office action.
then why does it exist? It is correct to say that the is its purpose? An British gas-cooled reactors could

Mr. F. Paton have been promoted rather than
-During this week voters the real issues of creating a

This historic election is about t their representatives to the type of leadership that the irld's first multi-national Parliament should give to nent. Forty years ago solving the great European problems of our time such as the size of the budget, the energy crisis, overseas aid, monetary union, employment or the role of agriculture in a European society which today no individual country is able to solve alone.

The people of Europe will, I this week to show their conto provide the necessary deadership in order to promote co-operation between the member states and improve the quality of life of the people of Western Europe. Frank Paton.

throughout Europe Smocombe House, Enmore, dism and party politics Bridguotter, Somerset.

that does not make policy! Why dld Mr. Wedgwood Benn appoint trade union directors to it if this is the case? One thing is certain, most enterprises with non-executive members would reject the comparison.

A board should do three things: Set policy; monitor its implementation; and control, by its authority to hire and fire, executive management which is responsible for implementing the policy. The trade union director is

reported as saying that the Post Office is too big to manage as one enterprise, the implication being that this is the job of the sales office will be able board. But, of course, it is not ise an ordinary IIK. —nor is the Post Office in fact managed as a single enterprise. A board directs; it does not manage. For this reason Sir William Barlow (as the article

tells us) has sought to devolve authority to manage - pre-sumably in accordance with the policies which have been deter-mined by his board. Ron Smith,

3 Beech Grove. Epsom.

Gas-cooled reactors From Dr. C. Hoigh

Sir,-Mr. Fishlock (May 31) on the French unclear pro-gramme rightly quotes Dr. Pec-queur as saying that the Three Mile Island accident was a very large safety experiment. He could have added that as well as being ruinously expensive it was also an unplanned experiment and that this is not the best way to do scientific work.

The American accident was really a demonstration of what can happen to nuclear reactors with two-phase coolants. All reactor safety depends in the end on man-made safety devices but when things start going wrong the properties of the coolant play a significant role. Water, as used in the PWR, can change phase and become steam under fault conditions; its cooling properties diminlah instantaneously and there may be less than a second for the safety mechanisms to work. Something of this sort clearly happened at Three Mile Island. Gas coolants, on the other hand, do not change phase in such circumstances and there is much more time (say, up to an hour) to take remedial

fate and one of the lessons from its manifesto commitment to an America is that no one with a enhanced insulation programme have been promoted rather than successful gas-cooled thermal across all sections of the reactor system such as our own should readily contemplate a change to water cooling. Perhaps more important, the accident has a bearing on the future of

fast breeder reactors.

In the coming energy crisis, uranium fuels will have to be exploited to the full and to do this fast reactors are essential. Fast reactor work goes back over 25 years and for historical reasons the main line of development has been with liquid metal, sodium, as the coolant. Within The people of Europe will. I the working range sodium is a believe, seize their opportunity two-phase coolant, to say nothing of its highly corrosive properties. fidence that the European Par- Over the years it has become tively inert gases for cooling fast reactors and it seems unlikely that sodium would be the choice of anyone starting fast reactor work today. The Three Mile Island accident is a good indica-tion that reactors should move away from two-phase coolants and that gas-cooling is the correct line to follow for the fast

Twenty and at most 30 years remain in which to produce a safe, reliable and proved fast reactor for series construction. There is just time to do this with a gas-cooled system.
(Dr.) C. P. Haigh

Old Sneed Pork, Bristol 9

Saving energy

From Mr. D. Green Sir,-Vigorous application of energy conserving techniques is now clearly required if we are to cope with the effects of the energy expensive economy recently declared at the Paris meeting of Energy Ministers. It is, therefore, somewhat surprising that politicians are telling us that pursuit of today's steady policy on energy conservation is adequate.

We have had five years of sporadic "Saveit" campaigns, and less than two years of positive domestic incentives for insulation, since the first oil price rise in 1974. In opposition the present Government were justifiably critical of such a timid approach. Now there are 2.5m homes unable to benefit from insulation grants, merely because some of their owners followed the advice of pre-grant aid "Save-it," and insulated their homes. These home owners should now be upgrading to higher standards; how-ever, they will get no help with this vital task. Yet if they had no insulation, having ignored Save-it," they would now be

getting a grant! This irony raises the issue of how real all governments' political commitment to the needs of energy conservation has been. Loft insulation standards were, for instance, "donbled" in 1974, but only from one inch to two inches! Official advice now advocates an equivalent of four inches, with official regulations stuck at around two inches. We are, therefore, building tomorrow's energy problems. It is worrying that official sources indicate that even now only two years can be pared off the review of insulation standards - leaving us three more years of wasted energy to wait.

If we are to take seriously Whiteball's request for energy conservation, then a political initiative is required by this Morket Place, y committee? A board not suffer the Three Mile Island Government which will develop Henley-on-Thames, Ozon.

U.K.: Mrs. Margaret Thatcher meets French President Giscard d'Estaing in Paris-ber first visit the Contineot as Prime to the Minister. Mr.: Gordon Richardson, Gov-

ernor of the Bank of England, guest speaker at annual lunch of food and Drink Iodustries Council, Savoy Hotel, London. Sixth World Airports Conference opens, Cafe Royal, London (until June 71.

Institute of Chartered Accountants of Eogland and Wales annual meeting. Chartered Accountants Hall, EC2, 10.30 am. Lloyd's of London Press marine seminar "Bill of Lading Convections" opeos,

Hotel, Londoo (until June 7).

Princess Chicblbu of Japan arrives in UK for visit until June

The Queen and the Duke of Edinburgh, accompanied by the Prince of Wales, attend concert at Royal Festival Hall io bonour of Sir Robert Mayer's 100th hirthday, 8 pm.

Queeo Mother opens Britisb

Today's Events OFFICIAL STATISTICS

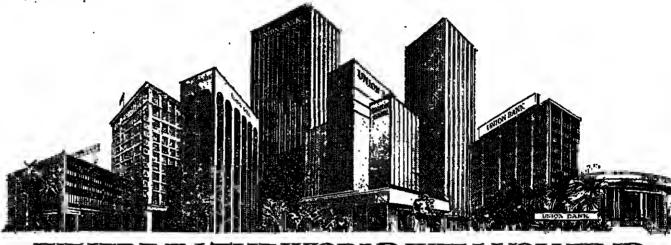
London clearing banks' monthly statement (mid-May). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-May). Hire purebase and other instalment credit huslness (April). Retail sales (April-final). COMPANY RESULTS

Atkins Final dividends: Queeo Mother opens British
Steel Corporation new ore terminal, Hunterstoo, Ayrsbire.

Overseas: State funeral for Mrs. Dora Bloch, Tel Aviv, Parkland Textile (Holdings). Premier Consolidated Oilfields.

Scoteros. Sketchley. Tanks Con-solidated Investments. Interim dividends: Muirhead. North British Steel Group. Northern COMPANY MEETINGS

Berwick Timpo, 79, Wells Street, W., 12. James Beattie, Wolverbamptoo, 2.30, A. Caird, Dundee, 12. Electrical and Industrial Securities, Connaught Rooms, WC, 12. Gill and Duffus, 2011 Parameter High Street SE Rooms, WC, 12. Gill and Duffus, 201, Borough High Street, SE, 12. Mettoy, Wluchester House, EC, 12. Provident Financial, Bradford, 12. Rowntree Mackintosh, York, 3. Rugby Portland, Cement, Rugby, 12.05, Rush and Tompkins, Charing Cross Hotel, W. 2.30



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Martin the Newsagent 20% increase midway

THE DIRECTORS of Martin the Newsagent report a 20 per cent increase in taxable profits from £1.89m to £2.27m for the 26 weeks ended April 1, 1979, on turoover up at £44.14m, against £39m—a rise of 13 per cent.

Profit for the whole of the profits for th previous year was a record £3.16m.

The group, retailing in the trades of news, tobacco, confectionery, etc., bad a good Christmas quarter, particularly in the High Street stores, the directors state, which more than offset the diffect trading condioffset the difficult trading conditions of the second quarter.
These resulted from industrial troubles in the news industry.

	1979	1978
	EGGO	0000
Seles*	44.137	35.0C4
	343	294
Depreciation		
Trading profit	2,300	1,897
Investment income	35	39
Interest payable	68	50
Profit before tax	2,268	1.886
Taxaton	610	695
Not profit	1,658	1,151
Extraord, creditt	40	` —
Preferance div	4	4
Attributable	1.694	1,187
Ordinary div	212	121
Retained	1,482	1,006
*Excluding VAT.		
Excitating Val.		

HIGHLIGHTS

The Airways Pension Scheme has revised its offer for the Debenture Corporation and agreed that management contract and pension costs will no longer be borne by accepting share-bolders. The new approach has been pitched at 102 per cent of the formula net asset value of Debenture. Lex considers the implecations of the new offer and also examines the £13.8m bid by Aurora Holdings for Edgar Allen Balfour. The column inspects the new bargain reporting procedure set up by the Stock Exchange and looks at the Government funding programme in the light of the last call on the partly paid 11 per cent Exchequer stock 1991. Eligible liabilities, published today, give the first indication of current rates of money supply growth. Elsewhere Hardy and Company (Furnishers) has publicly rejected the Harris Queensway offer but there are now signs that a higher and more acceptable bid agreement has been

assuming regular supplies.

After tax for the half year, lower at £610,000, compared with £695,000, earnings are shown as 25.5p (18.6pl per 25p sbare. The net interim dividend is raised net interim dividend is talker from 2.838p to 3.2639p—last year's final payment was 4.532p. *Excluding VAT.

1Profits on sale of fired agents.

The directors forecast of a stores are expected to he sold material increase in profit for closed during the year, the full year, remains unchanged, including six general stores.

profits. Improvements have been carried out in all stores and a

very large scale expansion will be carried out at Cash's in Cork

vious year. At balance date, group net

current assets were up from £25,42m to £30.04m, and fixed

At December 31, 1978, Avenue Iovestment Company held 31.03

per cent of the equity.
Meeting, Dublin, June 26,

11.5 per cent to £15.99m.

Healthy prospects for

Waterford Glass

A FURTHER IMPROVEMENT in profits during the coming year is expected for Waterford Glass, the Irish industrial bolding company.

In his annual statement with the accounts, Mr. Patrick McGrath, the chairman, states that prospects for the current year continue to look bealthy. He says it is anticipated that increased productivity, internal increased productivity, internal expansion and price adjustments where appropriate will cope with any negative factors that may

As reported March 21, pre-tax profits rose 17.9 per cent to £10.61m for 1978, despite adverse currency movements. The net turnover and profits. Although dividend total is lifted to 1.7985p (1.302p), while a one-for-two (1.302p), while a one-for-two scrip issue is also proposed.

Duriog the year the production of the company's market share declined, the total number of units sold was in excess of the units.

During the year the production of Waterford crystal was fully absorbed in all markets. Mr. McGrath reports that the huilt mn a 22-acre site on the £26.59m. Shareholders' funds outskirts of Waterford is increased by 15.9 per cent to scheduled to be in production £37.31m, while borrowings grew early in 1980.

It will concentrate largely on the production of existing and new forms of lightingware together with other products which the company is in the noon. Rationalisation at this rate is not expected to continue for than a further 12 months. The purchase of existing sbops, and the opening of new stores, continues both locally and in the High Street, they add.

Against a hackground of continual disruption in the news-parer industry, bad weather and the difficulties of keeping up with rising costs, Martin did well to achieve a profits rise of a fifth in the first balf. This compares with N55's 10 per cent rise for a similar period. In Martin's case, the various industrial disputes in Fleet Street probably trimmed profits by around £175,000 — slightly less than NSS—but this was offset by very strong Christmas trading in confectionery, records, cards and toys. Two other factors also belped margins. Firstly, Martin bas continued its programme of closing its less profitable units, particularly the chain of general stores. In addition, along with the fall-off in national demand, the company bas reduced its dependency on low-margin tobacco sales which now account for roughly 32 per cent of group turnover, compared with 36 per cent a year ago. Sales growth has not slowed in the second balf but profits are not expected to keep pace, maioly because of rising costs. But pro-fits of at least £3.5m look possible for the year and at 270p the sbares are on a fully-taxed prospective p/e of 8.7. The yield is a well-covered 5.3 per cent.

HAMPTON TRUST

Hampton Trust announces that of 3,441,931 ordinary sbares offered by way of rights, 3,068,213 bave been taken up (approxi-mately 98 per cent).

Pritchard advances 18%: sees further progress

AN 18 per cent increase in pre-tax profits is reported by Pritchard Services Group, the to £2.57m in 1978, on turoover 17.6 per cent abead of £53.38m. against £45-39m.

At midway, profits were higher at £1.17m (£0.97m), and the directors expected a satisfactory full-year result

Mr. Peter Pritchard, chairman and chief executive, says operating profits in the current year should show a satisfactory increase, the major part of which will occur in the second half. As a result of acquisition, interest costs will be bigber but record net carnings are anticipated.
With a dividend cover now of

4.4 times. the rbainnan indicates that if controls were removed the group would consider moving to 2.8 or three times cover.

Tax for the year totalled £906,000 (£772,000), of which £339,000 (£470,000) was applicable in the UK. Stated earnings per ap share are up from 6.12p 10 7.4p, and the net final dividend of 1.0122p lifts the total 10 per cent from 1.49955p 10 1.65909p. The group acquired the build-

on November 1, 1978. Trading loss and acquisition loan interest for the first two months operation amounting to £180,000 has been included in the results. Mr. Pritebard said a substan-tial reorganisation of ITT Ser-views had been undertaken to put the company on a sounder footiog. He was confident this

ing services division of 1TT Services Iodustries Corporation

privide an adequate return on investment in the early years. Mr. operations in the early years. Mr. operations in the group might consider further U.S. acquisitions.

Final purchase price for ITT Services bad not yet been settled.

A £362,000 surplus on revaluation of UK properties has been

tion of UK properties has been

credited to reserves. Profit before tax 2569 2.776

Tax 250 772

Minoritàs 74 90

Extracrinary credit 75 175

Avaidable 155 1.654 1.239

Evidents 153 278

Evidents 1,205 833

11% E539.000 (E470.00), overaesa

1207.000 (E020.00), 1 Debut.

The directors say fluctuating exchange rates reduced taxable profits by £123.000.

Both in the UK and overseas, companies contributed to profits increase. Including associates,

increase. Including associates, 74 per cent is attributable to the UK and the Republic of Ireland. with the balance from overseas trading. The group's services continued

in essentially the same sectors, huilding maintenance accounting for 75 per cent of total sales and 63 per cent of operating profit. Other services, including Other services, including security, camp catering and linen and workwear rental, accounted for the balance.

Mr. Pritchard said the first year of the Rivadh city cleansing joint venture had been successful. The company was investigating a number of other Middle East opportunities, East opportunities, hospital eleaning including

Commenting on other sectors, Mr. Pritebard said new operations in Spain and Belgium made inssets last year but were now in profit. Security services in the UK made a profit against a £90,000 loss and is expected to do better again this year.

comment

Pritchard is still heavily reliant on the UK and the building maintenance market but, after a first-time contribution of around £100,000, the domestic security division is set to make an increasingly important impact while the lineo and workwear hire operation is apparently continuing a 25 per continuing rire operation is apparently con-tinuing a 25 per cent annual growth rate. Additionally the Riyadh city cleansing contract is now coming through to associate income which may bave been worth over £350,000. But all this may be dwarfed if the ITT 5ervice Industries acquisition for SSm last year exploits the potential that annual sales of some S50m should offer. For the moment, the group's first entry in the interpretate if highly into this important, if highly competitive, market is still competitive, market is still harely breaking even and debt servicing costs have helped to trim the overall pre-(ax growth rate from 32 to 18 per cent. The sbares added 1:p to 46!p where the historic p/e of 6.1 on stated earnings is possibly ignoring a healthy track record and sound prospects. That could change once the Riyadh contribution is properly identified and ITTSI begins to pull its weight, probably next year. The yield is 5.4 per cent but the group would be

content, given dividend freedom, to cut the cover from 4.4 to

Charterhouse well placed but gives warning of difficult year

In his annual report to sharebolders, Mr. C. N. Mohbs, chair-man of the Charterbouse Group, says 1979 may prove to be a difficult year with little change in earnings.

However, any upturn in the economy and an Improved flow of oll could benefit these results. As an investment and banking group. Charterhouse is well placed to take advantage of new opportunities, the chairman says.

As reported, group profit be-fore tax & excluding the bank, Charterbonse Japhet: was £11.36m for the 15 month period ended December 31 1978 against

£6.81m in the previous year. Attributable profit after tax (including the bank) was £7.78m for the 15 months (£5.161m). The chalrman says the group performed well, substantially increasing its profits and bolding its gearing to 1:1 while increas-ing investment in new com-panies, fixed assets and working

There were satisfactory results during the period from the bank, and development capital activities: good performances by Newage Engineers, Spring Grove Services, Napcolour and Charcon Products and a useful cootribu-tion to profit from some of the

major U.S. iosurance broker, Corroon and Black, EC, June 28 at noon

OUTWICH INVESTMENT TRUST— esults for Merch 31, 1979 year, lready known. Investments £44,8m £38,5m), including £30,12m (£24,9m) abbirtles £2,39m (£7,12m), Meeting, 89 esdenhalf Street, E.C., June 25 et 30 pm.

SECURITIES TRUST OF SCOTLAND—Results for year to Merch 31, 1979, already reported. Investments of market value, E57.3m (E51.4m). Net current assets, E570.000 - (E272,000 net current fisibilities). Cheirmen is confident recent healthy dividend growth will be maintained in current year. Meeting, Edinburgh, June 20. SPHERE INVESTMENT TRUST—Reaults for year to March 31, 1979, already reported. Investments, E50.94m (E49.7m). Unrasheed aureplus, E32m (E23.9m). Meeting, 77 London Well, E.C., June 28 at 2.45 pm.

TRUST UNION (investment trust)—Reaults for year ended March 31, 1975, already reported. Listed investments in UK E32.59m (E25.23m), abroad £7.55m (E7.14m), unisted £762.79 (E37.5641. Net current seeses £872.190 (£1.29m). Meating, Winchaster House, E.C., June 27 at 2.30 pm.

CARTIERS SUPERFOORS—Results for year ended January 27, 1979, with comments on prospects, already reported. Fixed essets £5.85m (£3.2m). Net current liabilities £372,000

which holds a 35 per cent in-terest in Glanvill Enthoven, bas anconneed its intention to pool its ioterests with a larger UN insurance broker.
Charterbouse is therefore assessing the future of Glanvills

with a view to determining the best long term strategy for the group's insurance broking in-The first contribution from the

investment in the Thistle old field was lower than expected because of technical problems associated with bringing oil ashore, says Mr. Mobbs. However, despite this disap-polating flow of oil in 1973 the smaller subsidiaries.

The profit of Glanvill Entboven was below expectations,
being adversely affected by the
strength of sterling and the de
pressed state of the sbipping
market.

pointing flow of oil in 1978 the
group remains confident that the
investment will continue to be
of benefit in the future, and
since the year eod, a further inthe pressed state of the sbipping
market. Meeting, Great Eastern Hotel,

(£670,000). Meeling, Winchester House, E.C., July 12, et 3 pm.

WETTERN AROTHERS (construction meteriels)—Results for 1978 already known, Group fixed seasts £1.33m (£1.35m), net current easets £1.11m (£1.19m). Meeling, Croydpn, June 28, 17.30 mm.

SCOTT:SH NORTHERN INVESTMENT TRUST—Results for March 31, 1979 year reported May 17. Investments at valuation £65.51m (£55.84m), net current liabilities £2.43m (£2.92m). Nai asset value per 25p share 153.94p (120.58p). Liquidity increased by D. 68m (£3.55m decrease). Meeting, Aberdsen, June 22, 12.15 pm.

CRYSTALATE (HRLDINGS) (electronic componente, piestic mouldings, sliquid handling adupment)—Turnovar six months to Merch 31, 1979 £6.667.000 153.473.000. Profit £162.000 (£135.000) sfor tar £235.000 (£122.000). Earnings per share, 1.15p 11.44pl.

J. IYKER (HRLDINGS)—Turnover for year to January 31, 1979. £5.297.000 (£24.45.000). Earnings oar chare 0.7p. No final, meking 0.65p (nil). Soard state that easirsady raported in intarim report, profit is arrived at after craditing £11.111 proceeds of settlement of outstanding filisation. Alfhouch trading volume was considerably greater than in previous year benefit was frustrated by national industrial atrikes.

DIVIDENDS ANNOUNCED

Current of payment 0.25 Albert Fisherint. N Gen. Stockholders: int. 1 3.63 Jackson Group 2.t8
Martin Newsagent int. 3.36
Pritchard Services ... 101 July 3 July 20 Dividends shown pence per share net except where officewise state.

Equivalent after allowing for scrip issue. † On the increased by rights and/or acquisition issues.

In the table last Thursday, this company a manufacturation is Glasgow Stockholders.

Francis Parker up to £0.8m

Francis Parker turned in taxable profits of £790,000 in 1978 on turnover of £19.75m. In the nine months to end-December, 1977, the pre-tax surplus was £34,000 on £15.38m

Mr. R. K. Francis, chairman, says performance in the first quarter of 1979 was slightly better than last time, despite the bad weather. Prospects therefore remain good, although high interest rates and a downturn in public sector spending may de-lay the rate of progress in the

short term, he says,
After tax for the year of
£71,000 (£63,000 credit) net profit
came through at £719,000, against
£79,000. The extraordinary debit of £346,000 (£205,000) represents provisions to reduce the book value of investments in

associated companies.
Continuing the policy of conserving funds, there is no dividend—the last payment was 0.5p net in 1974-75.

The chairman says progress had been made in all areas. However, a 5 per cent increase in interest rates during the year had meant interest charges were virtually unchanged at £1.5m on borrowings down from £10.4m to

£7.9m.
Principal activities of the group include aggregates production, manufacture of concrete products and building blocks. shipbroking, and plumbing and

comment

Francis Parker has lifted profits and cut borrowings, but total f24,318, debt, at f7.9m, is still well in excess of shareholders' funds Blackpo

annualised figure of fl.445, 1977. The group is consolidate activities on its aggregate. concrete product operation remains vulnerable to a s winter, industrial disruption any cutbacks by Government public sector spending with theless, tough conditions as beginning of the year have be weathered reasonably well; weathered reasonably well further growth in profits in possible for 1979. The min development land should rais the debt burden further a there is a glimmer of hear shareholders on the delication. The shares edged wit to 25 ip yesterday where the is 9.1.

Albert Fisher first half downturn

For the half year me February 23, 1979, pre-tax and of the Albert Fisher Group a from £50,518 to £36,195 and directors are omitting payer of an interim dividend. After declaring previously: After declaring provinces; interim dividend of 0.25p, i group finished the 15 monts. Angust, 31, 1978, with profits well down from 2865 to £2.765 and no final divise was recommended.

Turnover for the half years down from £2.03m to £135 After tax of £18.800 (£26.200); profit was £17,395 compared w

Principal activities of a Blackpool-based group are in and interest charges are only and vegetable wholesaling a marginally down on an motor repairing.

Streeters' move to stay in competition

BY TERRY OGG

THE WITHDRAWAL of Streeters capital by way of a share is of Godalming from Saudi Arabia to Costain. has trimmed shareholders' funds Mr. Stre by £462,000 and left It dependent on a UK construction industry typified by "fierce competition from which all but the largest constructors are effectively

This is the pictures painted by Mr. Edward Streeter, the chair-man, in a circular to shareholders outlining terms of an agreement whereby the Costain construction and engineering group will gain a 22.5 per cent stake in Streeters. The two companies will also jointly tender for contracts in excess of

According to Mr. Streeter it £12m.
became clear, late last year, that The arrangements are co the company bad to secure a number of large UK contracts in order to lift profitability, that had been hit by problems on Saudi Arabian contracts and wet weather, labour difficulties and a drop in demand. The board consequently

decided to take two steps. The first iovolved an agreement with Costain to collaborate on civil engineering works while the second gave Streeters a net £285,000 increase in working

Mr. Streeter said that it agreement meant that it

tenders will be submitted contracts exceeding £5m. joint tender is successfol two companies will form a i venture and all matters w controlled by a supervi

of each company.

The financial interests
Costain and Streeters in contracts vary depending on tender value. Streeters bave a 60 per cent interes tenders up to £6m, but will have a 50 per cent interest contracts between £6m

Costain at an EGM on Just If the proposals are agreertain members of the Surfamily will sell 638,000 share Costain, reducing the far interest to around 17 per t Costain, with its 22.5 per atake, will become the lar sharebolder.

Reeve, will be invited to the Streeters board.

American Credit Corporation

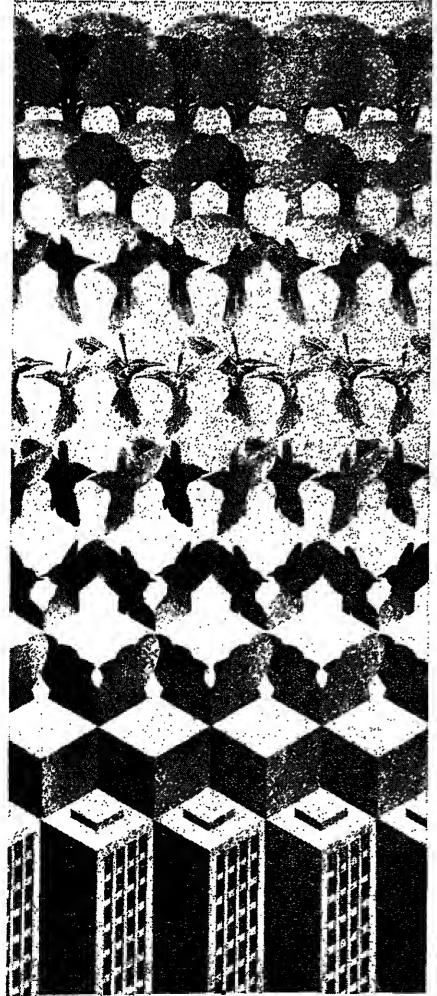
has merged with a wholly-owned subsidiary of

Barclays Bank International Limited

We acted as financial advisor to American Credit Corporation in this transaction and assisted in the negotiations.

Merrill Lynch White Weld Capital Markets Group Merrill Lynch, Pierce, Fenner & Smith Incorporated

May 31, 1979



Transformations: **Bovis shows** the way Managing transformation scenes is Bovis's

speciality. Transforming a bare or derelict site into a revenue-producing building; transforming a run down building into a modern, productive one; transforming a business, held back by inadequate premises, into one with scope for

Bovis can do this anywhere, no matter how remote the site or how difficult the conditions.

But one of the most striking transformations has been the change in Bovis itself. In the past 50 years we have transformed ourselves from a local London contractor operating on conventional lines into a world-wide organisation working exclusively on a management fee basis.

Generally we are main contractors, but because what we offer is construction management we can help you as much, or as modestly, as may suit you. For example we can arrange the money, find a site, choose sub-contractors, help with design, set a timetable and methods of payment - in fact take virtually the whole burden off your shoulders. We can send a complete team, or provide just a few key people. And you won't wake up in the night sweating about the money. The basis of our payment is settled in advance.

Ring 01-422 3488 and ask for Harvey Davis. He'll probably be able to help you quite a bit there and then.

Bovis Construction I Bovis House, Northolt Ro HA2 OEE. Tel: 01-422 34: Please send me details of you	ed, Harrow, Middx. 88. Telex: 922810
Name	<u> </u>
Сопарацу	
Address	
	Tel.
Bovis	Filty years of professional building: 1928-1978

21

UK COMPANY NEWS

Selincourt makes good start: record year seen

TH SALES for the first reter well ahead of those for same period tast year sharegarment manufacturer, can : forward to a record result 1979-80, Mr. Lionel Leighton,

rman, says in his annual int.

h the year ended Jannary 31,

group pre-tax profits rose

B per cent to a peak £4.56m

the back of a 13.8 per cent

ease in turnover to £61.9m.

r. Leighton says that profits

ld have heen markedly

ter bad it not been for the

ppointing results in two

panies.

anagement, changes have been implemented at both these subaldiaries. Taylor rymade and Suede and thercraft, and a major turned in profitability is now ected from them in the uring the year a revaluation the groun's properties was ied out which has thrown up

rehniders funds now stand 118.08m and the net asset e per ordinary share has-eased from 25.8n to 34.7n. current cost statement shows: tax profit reduced to £3.42m additional depreciation of . 000. additional cost of goods . £1.32m and gearing,

and to penetrate new kets both in the UK and seas To furtherance of thesc

tial items of canital expendi-

explains that concentration placed upon improving ency and productivity in fac

pany's factories and develop-new designs and products. the year, the group pleted a £1.5m factory in

hley and acquired addi-ti factory premises in on. Further substantial are allocated for produc-

investment throughout 1979.

reported April 25—ore-tax ts for the Janoary 27, 1979 rose from £3.23m to a rd £4.12m, on sales of 14m (£38.43m). Profitability the group, which makes beds

lstery and fulniture, would been higher but for the bad ther and baulage strike

savs Professor Roland the chairman, in his

Meeting, The White House, Albany Street, N.W. June 29 at

comment

Selincourt's shares have been weak ever since the publication of the preliminary figures which of the preliminary neures which fet! short of market expectations but the reaction is beginning to look overdone. The chairman had warned at the half-way atage that some outside predictions were aiming too high and the effects of the severe winter plus the drivers strike probably clipped another £im off profits. There was also two troublesome There was also two troublesome spots—Taylor Merrymade and Snede and Leather which notched up a £300,000 losa. This year Selincourt is looking for a £600,000 turnround so those two

operations alone should see the group over 15m pre-tax this year. Working on net profits around £3m the earnings ratio is no more than 5 and the yeld, on a gross dividend of 2 p. is ahout 8.8 per cent. The balance-sheet is also looking healthier with horrowings at 59 per cent of shareholders funds against 65 per cent, though short-term deht is higher—partly reflecting the run up of stocks because of transport problems. The figures aside, a new atmosphere has accounts also show a Instead of nulling for recovery compensation payment and deht reduction they are now

A current cost statement shows inflation adjusted pre-tax

balance sheet reflects the coo-siderable investments in fixed

working capital required by the increasing scale of the company.

Nevertheless, at the year end total borrowings including over-drafts were at the low level of 21

per cent of shareholders' funds.

has shown a £5.6m surplus which

has not been incorporated in the balance sheet.

MORGAN

CRUCIBLE -

A revaluation of properties

Meeting, Great Eastern Hotel,

sets and the overall growth in

profit of £3.37m (£2.54m). The chairman says

ing £24m are in the pipe-line and a rights issue is not ruted out.

Laird may decide on arbitration

The Laird Group is "consideriog going to arbitration" to settle its outstanding compensation claims against the Government. Sir Ian Morrow, the chairman iold shareholders at the annual

meeting.

Legal advice has been sought but at the moment the view is that no legal action can be taken he said in repty to a share-

holder's question.

A further film payment on account was announced by the Government tast Friday, increasing the total paid to £2.5m.

Meanwhile, negotiations are continuing that a closur race. tiouing "hut at a slow pace."
On recent tradine Sir Ian said the heginning of 1979 was dom-inated by poor weather and the road haulage strike, which virtually stopped steel making for one and a half months and replaced steel profits with tosaea.
"However, the rest of the group

continued to move ahead and

after four months much of the

difficient the past trading year. However, trading conditions at the past trading continued by the past trading continued by the past trading year. However, trading conditions are reported in the "Results Due" as reported in the "Results Due" column last Seturday. However, trading conditions interim statement and dividend

Good first quarter by F. J. C. Lilley

First quarter trading results at F, J. C. Lilley, civil engineering group, had justified the confidence expressed in the annual review, said Mr. James Aitken, chairman at the AGM.

He udded that order books continued to be satisfactory. The group expected to beoefit

in the current year from recent acquisitions and those in course of muking, he stated. Of the companies currently in-

volved, the acquisition of Z. and W. Wade should be completed Morgan Crucible is holding its this week, and the offer for hoard meeting on Thursday to A.C.E. Machinery should he consider the results of the first come unconditional by the quarter of 1979, and not the middle of the month, he said.

BOARD MEETINGS

Sign, Nathram Foods, Finals: Arkins Brothers (Hoslery) Carless Capel and Leonard, De Le Rus Lilleshell, Londan Overseas Freighters Perkland Taxtile, Scottres, Sketchley Sumria Clothes, Tanka Consolidater Investment

FUTURE DATES

sraby Lealie
Charter Canaalidated
Crois & Ross.
Crooder (James)
Cullaria Stores
Flectric & Caneral Invest.
Samusan Industrial

More O'Ferrall confident of expansion

Mr. E. R. More O'Ferrall, chairman of More O'Ferrall, out-door advertising, looks forward to a further improvement in profits in the current year.

He tells members that in the UK and Iretand there is still high demand for Supersites and despite some hesitancy in the onerations, husioess has con-slderably improved, "and we look forward to a satisfactory return on our investment there during the year.

Queenshury Signs continue in make overress, the chairman states, and satisfactory results are expected in 1979. And Mr. O'Ferrall is confident of continuing expansion and improvement in revanne and profits from the associate,

As reported nn May 9 taxable nrofits for 1978 rose from \$940.791 to a record £1.57m or furnover un from £5.99m to £8.23m. The dividend is effect fively raised to 4n (3 05428n) ner share with Treasury consent, Also promosed is a one-forthree

the AGM, to introduce a nrofit sharing scheme for employees.

Meeting, Athematic Street, W.
on July 3 at noon.

CLAY CROSS

The directors of Clay Cross Company have confirmed that the are to repay the company's 74 per cent Unsecured Loan Stock stock 1986-91, of which £171,690 nominal is outstanding. It will be repaid at par to bolders registered Juoe 30, together with accrued interest from January 1, 1979, up to and including the date of repayment.

What are the Developments in Domestic Banking?

What is happening in Europe and in North America? Why increase involvement in retail banking?

These and many other questions will be discussed at a London conference sponsored by the Financial Times and The Banker on 28 and 29 June 1979.

The distinguished panel of speakers will include:—

Mr. Christopher Tugendhat, Member of the Commission of the European Communities.

Mr. J. A. Brooks, General Manager, Midland Bank Limited

Mr. William M. Isaac, Director, Federal Deposit Insurance Corporation, Washington, DC

tion

Mr. James L. Smith. Senior Vice President, Security Pacific National Bank

Mr. Richard S. Braddock, Senior Vice President, Consumer Services Group, Citibank NA

Mr. Josef Leis, Senior Vice President, Westdeutsche Landesbank Girozentrale

Mr. A. Alessandrini, Managing Director, Banco di Roma, Rome

The whole thrust of Domestic Banking is practical and the speakers have been chosen because of their involvement in evaluating the opportunities and managing the changes that are taking place.

r further details of the conference, and registration procedures, please complete and return the coupon below,

DOMESTIC BANKING CONFERENCE

To: The Financial Times Limited. Conference Organisation,
DOMESTIC BANKING CONFERENCE, Bracken House, 10 Cannon Street, London, EC4P 4BY. Tel: 01-236 4382 Telex: 27347 FTCONF G

Please send me full details of your "Domestic Banking Conference"

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(5)			
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A FINANCIAL TIMES CONFERENCE

Mr Nigel Mobbs reports to shareholders

I am pleased to report a profit after taxation of £7,787,000 for the 15 months ended 31st December 1978, compared with £5,161,000 for the 12 months ended 30th September 1977. Historically the October-December quarter has always been disappointing and in the 15 months two such quarters are included. Also included in the results for the first time is a charge of £375,000 representing depreciation of freehold buildings in accordance with the new SSAP 12 accounting standard. The profit of the bank, Charterhouse Japhet, is no longer grossed up at the standard rate of UK corporation tax but is shown after tax and after transfer to inner reserve.

Dividend

The directors are recommending a final dividend of 0.9226p per share; this, when aggregated with the first and second interim payments, amounts to 4.613p per share for the 15 months (1977 – 12 months 3.355p).

RESULTS IN BRIEF-¢ million	1978	1977
	- 15 munchs	12 mentles
Capital employed	94.5	89.6
Shareholders' funds	60.9	59-7
Profit before interest (excluding the bank)_		12.0
Profit before taxation (excluding the bank)_	11·4	6.8
Profit of the bank after tax		
and transfer to inner reserve	0.9	0.8
Attributable profit after taxation		
(including the bank)	7:8	5-2
Earnings per ordinary share (pence)	8:276	5.734
Dividends per ordinary share (pence)		3:355
• The change of year end to \$1st December has resulted in a 15 m	ທາງກໍ່ສະດວ <i>າ</i> ນ ດ ເກັ	ngperiod

The main features of the period's results are: Satisfactory results from the bank and development capital activities; good performances by Newage Engineers, Spring Grove Services. Napcolour and Charcon Products and a useful contribution to profit from some of the smaller subsidiaries. The profit of Glanvill Enthoven was below expectations being adversely affected by the strength of sterling and the depressed state of the shipping market.

The first contribution from the investment in the Thistle Oil Field was lower than anticipated because of technical problems associated with bringing oil ashore. However, despite this disappointing flow of oil in 1978 we remain confident that the investment will continue to benefit the Group in the future, and since the year end a further investment has been made in Thistle, in conjunction with the British National Oil Corporation and Ultramar Exploration, bringing the Group's stake in this field to 2.3%.

Corroon and Black, a major US insurance broker, which holds a 35% interest in Glanvill Enthoven, has announced its intention to pool its interests with a larger UK insurance broker. We are therefore assessing the future of Glanvills with a view to determining the best long term strategy for our insurance broking interests. Since the year end Edmundson Electrical has been sold to a US wholesaler.

The year 1978 was a difficult year for business generally, with higher interest rates, instability in currency markets and growing industrial unrest. Nevertheless, in the context of these conditions, the Group performed well, substantially increasing its profits and holding its gearing to 1:1 whilst increasing its investment in new companies, fixed assets and working capital.

Future Prospects

1979 will be a difficult year for world trade. Although the UK is fortunate in being largely self-sufficient in energy, the country is still very dependent upon exporting, both products and services, which requires stable trading conditions. With rising levels of inflation, the continuing worldwide threat to the availability of energy, and increasing international competition, national prospects are uncertain and will remain so until the new Government settles into office.

The Charterhouse Group, as an investment and banking group, is well placed to take advantage of new opportunities. 1979 may prove to be a difficult year with little change in earnings. However, any upturn in the economy and an improved flow of oil could benefit these results.

NIGEL MOBBS. Chairman



The Charterhouse Group is an investment and banking group listed in the Stock Exchange, London, with shareholders' funds of £61 million and total capital employed of £95 million. More than 50 of profits arise from exports and averseas earnings.

The Group's strategy is to invest in businesses with the object of strengthening their prohtability and future prospects. Many ni the wholly-owned subsidiaries of Charterhouse have been developed from small beginnings and are now successful and mature enterprises. Opportunines to enhance the further development of these companies by the allocation of additional resources ar by the introduction of additional partners or shareholders, or by floration if appropriate, are always under active consideration.

Charterhouse aims to achieve a balanced investment portfolio, earning an improving return on capital in which risk, profit and capital requirements are balanced, so limiting exposure in individual market sectors, companies and geographical locations.

Copies of the Annual Report of The Charterhouse Group Limited are obtainable from: Group Communications Department. The Charterhuuse Group Limited, 1 Paternoster Row, St. Pauls London EC4M 7DH. Telephone 01-248 5999.

MORRISONS

The better way to Shop and Save.

At the Annual General Meeting of Wine Morrison

Supermarkets 1.td. held at Bradford on the 31st May, 1979, the Chairman Mr K. D. Morrison, m

his supplementary report to shareholders included.

stores of 4% being achieved. ...

Sales are double last year's figures in the

A good trading performance is envisaged

charges will show a substantial increase.

in the current year although interest

The company is protected from rent

freehold property wherever possible.

they are running at a higher rate than

Copies of the full 1979 Annual Report and

Accounts can be obtained from the Secretary.

Supermarkets Limited

Hilmore House · Thornton Road · Bradford BD8 9AX

Jackson Group

Construction and Industrial Services

ANNUAL RESULTS

10,762

424

17.0p

5.42p.

0003

9,312

504

451

18.7p

5.0p

3.7

advantage of situations as they arise and

to cater for the continuation of company

reviews by its policy of obtaining

66 Costs are being critically examined as

Management is available to take

66 Sales volume increase in established

Whelans Discount Stores.

the following statements:

current inflation.

expansion. ??

Wm. Morrison



A special resolution approved by the shareholders at the AGM held on June 4 in London means that the name of Matthews Wrightson Holdings Ltd. will be changing to Stewart Wrightson Holdings Ltd.

"It is now time that the publicly listed company should be identified more closely with the name of its principal operating subsidiaries. There is no intention to devalue the importance of those companies within the group not involved with insurance, nevertheless it is to that field that the main thrust of our development will be



Stewart Wrightson Holdings Ltd

London EC3A 7HJ Telephone 01-623 7S11 Telex 8811181

1 Camomile Street

Insurance, Shipping, Air Broking, Forestry and Farming

THE METTOY COMPANY LIMITED

Results: year ending 31st Dec 1978

TURNOVER: up from £27,5m to £31.2m

EXPORTS:

up from £11,4m to £12,7m

NET PRE-TAX PROFIT:

up from £2.77m to £3.64m

EARNINGS PER SHARE:

up from 14.4p to 17.6p

"The salisfactory results for 1978 represent new records in turnover, export and profits. The year 1979 has started well with increased orders in volume and value. Despatches were initially affected by the Transport Drivers strike. Increasing costs of raw materials and wages together with the grength of sterling are formidable factors to be overcome particularly in exports, but our enthusiastic team has always been able to tackle all problems." Arthur Kaic, C.B.E. Chairman

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange and is not on invitation to any person to subscribe for, or to purchose any of the stock mentioned below.



TRAVIS & ARNOLD LIMITED

(Incorporated in England under the Companies Act 1948: Registered No. 468042)

Introduction of £420,000 8 per cent. Unsecured Loan Stock

Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List. Particulars of the Stock are available in the Extel statistical service and copies may be obtained during business hours up to and including 22nd June, 1979 from:

Gresham Trust Limited Barrington House Gresham Street London EC2V 7HE

W. I. Carr. Sons & Co Ocean House 10-12 Little Trinity Street Loadon EC4P 4LB

morris & blakey

1978 a record year

Turnover	£10,585,515	+24%
Profit before taxation	£439,742	+41%
Dividend per share	4.58p	+10%
Net assets per share	142p	+37%

- * Reorganisation programme successfully completed. All stores trading as Decormecca, increased sales of Decormecca own brand.
- * 40,000 sq. ft. of new selling space acquired; further 60,000 sq. ft. under negotiation.
- * Property revaluation produced £1,079,727 surplus. Copies of the Annual Report may be obtained from The Secretary, Morris & Blakey Wall Papers Limited, 159/161 Camden High Street, London NW1 7JP.

decormecca

BIDS and **DEALS**

Hardy gives its support to new Harris terms

Harris Queensway, the carpet retailing and DIY group which is bidding £27m for Hardy and Co. (Furnisbers), yesterday won the support of Hardy's directors in exchange for a higher offer.
The move effectively clinches what has been a hotly contested take-over battle although the new Harris terms have not yel been put to the full Hardy Board.

County Bank, which is advising County Bank, which is advising Harris, said last night that details of the new offer have not yet been fully worked out. Hardy's shares, which closed 9p higher last night at 145p against the current bid price of 125p, will be suspended this morning further provided that the course of the course of the provided that morning further provided the suspended that morning further provided that the provided that

pending further degotiations. Yesterday's hreakthrough comes only a couple of days after Mr. Edward Dainow. Hardy's chairman, formally rejected the Harris bid in a letter to shareholders. He also revealed that he and his family had increased their stake in Hardy from 44.8 per cent 10

Hartis, meanwhile, has a Ronson made a profit of 49.85 per cont stake in Hardy— £357.000 on turnover of £2.1m in

only a fraction short of the 50 per cent it needs for control. Toe Harris holding includes irrevocable acceptances from members of the Slotover family. which includes Mr. Leonard Slotover, Hardy's president, and

unother director. Yesterday's agreement also comes just in time to stop the issue of the formal Harris offer document, which was due to be despatched today.

CES BUYING **FUR COMPANY**

Combined English Stores has agreed to buy Ronson Fur Service, a wholesaler and manufacturer of fur, simulated fur, sheepskin and leather garmeots. for between £1.5m and £2m. CES says that Ronson will com-

plement and extend similar activities carried on within the group. The main activity of CES is multiple specialist retailing. It owns the Harry Fenton men's wear and Salisbury fashion accessory chains.
Ronson made a profit of

the year to March 31, 1978. The uncudited figures for 1978-79 no 0000,0741 et qu'iller; wede turnover of #2.8m and net tangible assets of alm.

CES has initially acquired 75 per cent of Ropson for \$1,125m. The remaining 25 per cent will be acquired over five years for a minimum of £375,000 and a mammam of £\$75,000 depending on Bonica's profit performance.

ALBERT MARTIN

Albert Martin Holdings bas conditionally agred to buy Cooper and Roc. a private com-pany manufacturing knitted outerwear, leisurewear, underwear and swimwear.

Completion depends on the salisfactory oulcome of an investigation as to the cummercial viability of a reconstruction plan for Cooper and Roe and on its audited accounts as at March 31,

A further announcement will

Reed selling Stanger—and timing cuts loss by £10m

BY JAMES BARTHOLOMEW

to have saved itself £10m by waiting a year before selling out of Stanger Pulp and Paper, one of its South African subsidiaries. Recd has agreed to sell Slanger to Sappi, a 53 per cent owned subsidiary of Union Corporation. for R3.5m [£2m]. And Reed's loans to Slanger of R9m (£5,2m) are to be converted into Stanger 6 per cent cumulative redeemable preference shares 1980-84 as

part of the deal. Reed will thus receive a total sideration which compares very would have received just over a at a price approximately R29m year ago. It was then that Reed lower than its hook value and haught out G. G. Smith and Co., its original 50 per cent parmer in the venture, for one nominal Recording to Union. Stanger Rand. Smilh also paid Roed \$10m for the privilege of getting

out.
"We played well with the had cards we were dealt," said Mr. Reed, yesterday. Reed had lost on the venture as a whole but had lost \$10m less by huying out

Aurora's £13m hid for Edgar

Allen Balfour marks an atlempt to rationalise and modernise a

section of the special steels industry which has been

relatively unaffected by the mergers and take-overs of the past decade. As the Aurora management sees it the difficulties of this part of the

indusiry - the manufacture of

special steel bars—are largely due to its fragmentation; none of

enough market share to instify

investment in modern, high-out-

The other parts of the Sheffield

special steels industry, alloy forgings, super alloy steels and

low alloy hillets, have heen sub-

stantially reorganised in recent years and are in the hands of

strong companies: Johnson Firth

Brown bas played a big part in

But there are still a large number of companies producing steel bars. Aurora's Oshorn Steel

subsidiary and Edgar Allen

Balfour are the two birgest, and

the list includes Sanderson

Kayser, Firth Vickers, Snartan,

R. W. Carr, Neepsend and others.

For once. Sheffield seems to be

in support of Aurora's move

Barworth Flockton.

put facilities.

Pared International is claiming about the future of Stanger had have saved itself £10m by proved unjustified. The technical tcething problems had heen overcome and the economy of South Africa had shown some

recovery.
The effect of the deal on Reed's balance sheet would be to reduce debt by £15m. There would be no need for further write-offs as the iosses had been written off as they occurred. Mr. accumulated losses.

Uning Corporation said yesterday that Sappi's acquisiting of Stanger would give it " a modern favourably with the price it mill with excellent equipment

should now show a steady improvement in profits and acceptable profitability should be achieved during 1980, despite the substantial start-up losses in its first three years ending December 1978.

last year1 are to be sub-under-writers of the bid.

Behind their support are the

grim statistics of an industry which has found itself virtually

undefended against the inroads

Over the past five years or so

demand for special steel bars has fallen, while capacity has increased. Current output is about 60.000 tonnes a year (against a capacity of 100,000)

and the importers' share has risen from around 19 per cent

of the market to a total of about

different sectors: imports of high speed steel bars have risen from

25 to 36 per cent: in valve stect from 20 to 42 per cent; in tool steel from 26 to 37 per cent; and

in stainless from 16 to 45 per

Should Edgar Allen and Aurora

combine, Mr. Robert Atkinson,

Aurora's chairman, believes that

the group would control 35 per cent of the high speed sector and

There would be other advan-

tages, according to Mr. Atkinson, and these claims are supported

which also has a scal of approval by other Sheffield steel and en-Oolookers success that Aurora from the investing institutions, gineering groups. Osborn has a would need to lay off 500 jobs

21 per cent of tool steet.

The figures differ between the

of importers.

40 ner cent.

Attack on fragmentation

seven of which (including the good UK distribution network

four which supported Aurora's while Edgar Allen is stronger acquisition of Samuel Osborn overseas especially in Australia.

papers. These products have found competition gainst lower cost imports hard going but Union believes improved world demand difficulty. It is also possible that further South African import restrictions could radically change Stanger's market

POWELL DUFFRYN

Powell Duffryn Timber has acquired from Pauls Federated Merchants its Swansen and

The acquisition of these Iwn branches, both of which sell a full range of builders' materials and operate DIY retail shops and showrooms, will further consolidate the husiness of J. D. Llovd. Powell Duffryn's timber and huilders' merchants division in South Wales.

ASSOCIATE DEAL

L. Messel and Co. broker to Harris Queensway bought on on the venture as a whole hut For Union Corporation, one of behalf of County Bank, an associated lost flow less by huying out the attractions of Stanger 13 its clate, 100,000 Hardy and Co. Position as the only South (Fittinishers) "A" ordinary shares During that year Smith's fears African manufacturer of coated at 110p and 100,000 at 109p.

Oslorn has invested substanti-

ally in re-rolling and finishing processes while Allen has mod-

stage, with the installation of a GFM loog forging press. The marger should permit a more

panies' facilities and provide the economics of scale which contin-

ental competitors, with larger more modern equipment, bave

On the melting side, Mr. Al-kinson believes that furnace capacity in the combined groun

would be adequate but he would

like to see at least one large furnace installed next door to

Allen's reduction shap with its GFM long forging press.

ports. There would be further industrial logic in other parts

of the husiness, both Oshorn and

Allen make cutting tools which overlap to a degree. Rationalisa-tion here could come straight

Rationalisation, of course means lost jobs: something to which Sheffield has become very

sensitive having seen the serior

diminish by 40 per cent (or 5.000 jobs) over the past five years.

21.50 per chare and possibly more in the event of liquida-tion. Any excess would depend on the value of the Ferry Road Writing to shareholders Mr. lan Dougal, the chairman, reminds them that the assessment to Development Land Tax arising on the sale of the Hay market site was under appeal.

Agreement has now been reached with the inland Revenue, he conoris, "wherehy the original liability which was experted to be in the region of £243,000 has now been reduced to £151,071.

Edinburgh

Rink offer

Eilinburgh Ice Rink, the contpany whose shares were suspended last Angust, has been

approached by parties interested in bidding for the entire capital

Meanwhile, sharehalders have

reduction in the company's

Tax, they could reasonably expect to receive "not less than

told that following

likely

Plans to develop a new ice riok at Ferry Road, Edinburgh, bowever, have been dropped following the announcement of a scheme by parties independent of Edinburgh Ice Rink to build an extension to an existing rink.

Plessey sale to U.S. group

Plessey, the electronics group, has agreed to sell its machine loof automation husiness to Allen Bradley, the U.S. group. Plessey's numerical control operation employs 75 people in Poole, Porset. Sales last year were a few outlion pounds.
Although Plessey has de-

veloped its own products for the numerical control of machine tools, it has also been linked to Allen Bradley through licensing and servicing agreements.

Allen Bradley has head-uariers in Milwaukee. quarters Wisconsin. In the UK it employs 1,500 people with factories in Bierchiev and Jarrow. The terms of the sale have not been dis-closed. Last week Plessev anoninced that it was sellion powher small part of its business, a printer operation in

B. B. Peari, chairman of Whitlock Corporation, and William J. Fax, prosident, bave completed the previously unnounced sale of 250,000 Whithey shares to L.C.P. Holdings for SS a share the two componies said. LCP will shortly make a tender effect for the shares held by the public NEWS ANALYSIS—AURORA BID FOR EDGAR ALLEN

to make the merger work. Mr

Alkinson is adamant that the figure is more lifely to be half

this and that the shrinking car

be done voluntarily after consul-

out this co-operation the value of

the merger would be doubtful

at hest.
The bid has still to ruo its

course: Allen's directors were

making po commicos vesterdas beyond advising shareholders to sil tight until their edvisors have

run through the figures. But

Aurora demnistrated last year,

when it was control of Osbara efter initial conception, that it is a determined hidder. And in Allen's case there seem to be a

In one recent three month

period some 30 per cent of Allen's equity changed hands.

Yesterday morning Aurora's advisers, N. M. Rothschild and

Panmure Gordon, conducted a market raid which resulted in Aurora picking up 25 per cent of the equity. Together with its own holding it now has close on

30 per cent and it has institu-

There is still the possibility of the bid miss-firing but at this

tage it does look, as one Shef-

field broker describes it. as if

the industry is another sten closer to the formation of an

interrated independent special steels group which could have the muscle to fight off imports.

tirral hackine.

lot of restless shareholders.

extraordinary items Earnings per share Dividends per share—Gross

Year to 31 December

Revenue

Pre-tax profits Profits after tax and

-Net 3.63p 3.3p Points from the statement by the Chairman, Frank Jackson Losses in one subsidiary marred successful

year but underlying growth trend unaffected.

Maximum permitted increase in dividend.

Order book for 1979 at record levels.

The Company's shares are traded on The Over-the-Counter Market. Deteils of this market together with copies of the full Report and Accounts are available from The Secretary, Jackson Group Limited, Oobbs Lane, Kasgrave, Ipswich. Telephone 0473-622701.

ESTATES AND GENERAL INVESTMENTS LIMITED

INGHLIGHTS OF 1978 Year ended 31st December 7,000 £000 Sbarebolders' funds 3,257 Property revaluation surplus Gross investment rental Profit before tax Profit after tax 125 Net dividend per share 1.0p 1.2p Earnings per share 1.20p 2.99n Assets per sbare County and Suburban Holdings was acquired on

30th June 1978 and the above figures include their results for 6 months. Investment portfolio of £12.8m at 31st December

Gross investment rental now exceeds £950,000.

Copies of the Report and Accounts can be obtained from the Secretory, Estates and General Investments Limited, 23, Dorset Street, London WIH 3FT.

OIL AND GAS NEWS

Dome plays down Alberta find

pany has recently participated in a Western Conada well which discovered a large oil reserve "greatly exaggerate the facts," reports Robert Gibbens from

Dome, one of Canada's largest oil and gas groups, said "the we'ts in question are located in the Musreau Lake area of northwest Alberia and to date have resulted in a marginal gas well and a bigb gas-oil ratio oil well which produced 75 barrels of oil per day on test. A third well is now awalting completion prior to testing."

Another oil find has been made in the Wesi Pembina region of Alherta, this time by Getty Oil (Canada), the operator, and BP

Canada.
The Getty BP Pembina 6-12-30-11 W5M well, located about \$5 miles south-west of Edmonton. finwed at a rate of 946 barrels of low sulphur oil per day following a 17 hour pruduction test of the Nisku Reef hetween 9,009 feer and 9,028 feet. The Iwo companies each have

a 50 per cent interest in the well and plan to drill an offset well to the north-west of the discovery. Canada's Alberta Energy Com-

pany has entered toto a farm-out arrangement with a consortium of oil companies to drill 67 exploratory wells in Area C of the Suffield Military block in Alberta One of six development areas

in the 1.000-square-mile range, Area C is approximately 88,080 acres and is located in the south-west portion of the block.

The farm-out is for horizons beneath the shallow gas zones (below 2,200 feet). The company retains a 100 per cent interest in the shallow zones.

The consortium is led by United Canso Oil and Gas and includes Amoco Canada Petrolenin. Coseka Resources, Ranger Oil (Canadat, Alberta Petroleum Investment Corporation, Star Oil and Gas and Conventness.

The group has committed to conduct 200 miles of seismic work in addition to the drilling of the 67 wells, to earn a 50 per

of the 67 wells, to earn a 50 per cent interest. The exploration programme ine exploration programme will commence immediately. The consortium expects to expend CS20m (£S.3m) to earn its interest in the petroleum and natural gas rights in the deeper zonec

ing activity for the first three months of 1979. The company participated in 44 wells of which 14 are gas wetls and three encountered encouraging oil shows. As the period ended, nine wells were drilling and three were to be evaluated. First quarter drilling and completion activity is expected to make significant contributions to 1979 reserve

Exploration was continued on the company's extensive Hythe-Elmworth properties in northwestern Alberta and north Hythe, where the company has stantial Doig formation gas well was drilled

Oil production from the off-shore wells near Palewan Island in the Philippines is expected to reach 40,000 barrels a day by July according to the Philip-pines Energy Ministry. Production from the three

wells is currently about 18,000

barrels a day. President Marcus told a visiting trade mission from California that the recent discovery of 2°s by Standard Oil (Indiana) subsidlary Amoco in the Central The Canadian oil and gas Luzon plains north of Manile exploration outfit Chieffala indicated the presence of on Development reports record drill-shore oil in the Philippines.

Silentnight Holdings DIVAN BEDS, UPHOLSTERY AND FURNITURE

Record Turnover and Profits Further Scrip Issue

· · · · · · · · · · · · · · · · · · ·		
Year to:	Jan. 1979	Jan. 1978
	£'000	£'000
Turnover	50,935	38,428
Profit before Tax	4,118	3.230
Attributable Profit	3,850	2,571
Earnings per share – Gross	27.5p	•21.5p
Net	25.7p	*18. 8 p
*Adjusted for 1978 scrip issue.	р	10.0p

Professor Roland Smith, Chairman, reports:

- * Both sales turnover and profits represent a further record.
- * Maximum permitted dividend and scrip issue of 1-for-2 Ordinary shares held are recommended,

Copies of the 1979 Annual Report available from the Secretary, SILENTNIGHT HOLDINGS LTD, WELLHOUSE RD, BARNOLDSWICK, CDLNE, LANCS BB8 6DR



(هدا امند المامل

Agnico-Eagle's ising profit

latter would be required.

For copper. Mr. Du Cane suggested that a price of U.S.\$1.50
a pound would be required to

produce a suitable return or in-

CRA will

hold 82%

Hamersley

CONZINC RIOTINTO OF AUSTRALIA has no plans to buy out

which brings its shareholding up to \$2.3 per cent.

This was made clear yesterday in a formal announcement set-ting ont the agreement in prin-ciple for CRA—to huy from Kaiser Seel of the U.S. the lat-

ter's 28.3 per cent stake in Hamersley for \$207.5m (£100m). The deal remains subject to board approval on both sides and

the sanction of the Australian

and Kaiser values Hamersley at A\$662m (£353m). This is slightly above the valuation put on the company by the current price of Hamersley shares in Australia of

A\$2.70. The public abareholding in

corporations. There is no indi-

cation that these percentages will be changed in the immedi-

ale future. An RTZ spokesman said yesterday that it was most unlikely that CRA would offer

any of its newly acquired stake to the Australian public.

ISTITUTO

IRI 5% US \$ and DM Bonds of 1964

FINAL REIMBURSEMENT

Notice is hereby given that the forementioned Security matures on 30th June, 1979, when

The minimal capital value of the bonds and the interest accrued thereon as at 30th June,

THE UNDERMENTIONED CERTIFICATES WHICH WERE DRAWN FOR REDEMPTION DN

11252

32477 42897

11255

US \$ 1,000 BONDS

DM 1,000 BDNDS

THE UNDERMENTIONED CERTIFICATES WHICH WERE DRAWN FOR REDEMPTION ON loth JUNE 1977, HAVE NOT YET BEEN PRESENTED FOR ENCASHMENT.

Due 1975-79

ill outstanding bonds shall fall due for redemption.

Sanque Internationale à Luxembourg S.A. - Luxembourg

42889

Sanque Bruxelles Lambert 5.A. - Bruxelles and branch-offices Berliner Handels-und Frankfurter Bank - Frankfurt and Berlin

Litibank N.A. - New York and branch-offices in Amsterdam, Mlian and Paris.

10th JUNE, 1974, HAVE NOT YET BEEN PRESENTED FOR ENCASHMENT.

9024

30294 42894

979, may be claimed from the following banks:

-ill. Samuel & Co. Limited - London

22032 41377

15224 36307

RICOSTRUZIONE

INDUSTRIALE

The transaction between CRA

KENNETH MARSTON, MINING EDITOR

PROFIT outlook for 1979

ieed highly encouraging banada's gold and silvercing Agnico-Eagle Mines, the chairman. Mr. Paul
in the latest annual
Production of both
is being increased and the
quarter's net income has
ted to C\$1.18m (£492,600).

Proceeding The Production of the producer price of around \$3 a
price would instity new developments, especially the Mississippl-

year Aguico Eagle paid a ividend of 10 cents (U.S.) of total net income of m, or 19 cents per share, followed a net loss in 1977 61,361, Production in 1978 ted to 63,187 ounces of ad 268,208 ounces of silver. eapective average metal they are currently.
1 C\$320 and C\$9.90.

year's average production of gold at the Joutel, c. mine equaliad C\$116. are expected to show a ate increase in 1879, but ill be more than offset by sed gold production—it ts to 22,046 ounces for the ur months—as a result of led milling facilities and grade ore from the new levels of the mine.

long-range underground ation and davelopment continues at the Temiskaming project at ibalt Camp ailver operao Ontario. Apart from the nson oject now takes in the Prethewey mine at Langis and a Miller properties in

> articular interest to note like many Cobalt area producers. Castlet recovery of cobalt which much in demand.
>
> Ing now survived the lean ind instiffed Paul Penna's

n gold, Agnico-Eagle has ted its bank indehtedness end-1978 bad working of C\$5.85m compared only C\$159,000 as year

Hamersley remains at 11.5 per cent. The balance of shares—6.2 cent. The balance of shares—6.2 per cent—is beld by Japanese (equired for any new ven-a good increase in the cards for ir. The shares are around

HER METAL CES CALL

ing to a shareholder's In London yesterday, CRA is at the recent meeting shares, inclusive of the premium, adon's Selection Trust were 5p lower at 223p.

Malaysian tin deal

KUMPULAN PERANGSANG SELANGOR (KPS), the mining agency of the Selangor state Government in Malaysia, has signed an agreement with Guinnes Peat of London for the marketing of tin produced by KPS and its affiliates, writes Wong Sulong in Kuala Lumpur.

This is the second marketing agreement to by-pass the Penang tin smelters. Last September Malaysia Mining Corporation entered into a contract with Angln Chemical, the Philipp Brothers subsidiary, to sell im independently. those metals. In the case of nickel a atable producer price of around \$3 a pound was needed. Current lead prices would justify new developments, especially the Mississippitypa high grade operations. But as lead production is linked with that of zinc, better prices of the latter would be required.

The arrangement hetween KPs and Guinness Peat provides for the establishment of a joinl company called Perangsang Metal Sclanger in which KPS will hold 70 per cent. The new company will buy tin from KPS and its affiliates at the prevailing

vestment in new mining ventures anch as the Cerro Colorado project in Panama which could cost between \$1.5bn and \$2bn. Peoang price.
Until Perangsang Metal builds up a staff of competent personnel, the marketing will he handled by Wilson, Smithett and Cope, a Guinness Peat subsidiary.

The KPS group can supply ahout 3,000 tonnes of tin annually, equivalent to about 5 per cent of total Malaysian production. According to Datuk Hormat Rafai, the Chief Minister of Selangor, the group's output will nearly double by 1883.

the minority shareholders in Hamersley Holdings, the Western Australian iron producer, following its acquisition of a fresh stake in the venture The expanded output excludes potential production from the Kuala Langat field, which has the world's largest proven tio deposits. KPS is negotiating with Charter Consolidated of London for a joint venture to develop the deposits.

Falconbridge dividend

FOLLOWING THE return to prosperity of Canada's Falcon-bridge Nickel in the first quarter with a record net profit of CS21.2m (£9m), the major nickel and copper producer announcea a resumption of dividends.

It is to pay a dividend of C\$1 on June 29 to shareholders of record on June 15. The last distribution was of 50 cents for 1877 which followed CS1 for 1876.

NIGERIA MERCHANT BANK SALE

United Dominions wholly-owoed subsidiary com-pany, UDT International bas sold its 40 per cent interest in The Nigeria Merchant Bank to The United Bank for Africa. The sale proceeds when remitted to the UK are expected

De Vere to maintain momentum

TRADING FOR the current year at De Vere Holela and Restaur-ants has got off to a good start says Mr. Leopold Muller, the

cbairman.
"I helieve that the momenium we bave created in the past two years will be maintained and that we shall be able to look back on 1979 with satisfaction," he tells members to his annual statement.

Taxable profits rose more than 44 per cent from £1.52m 10 a record £2.21m for 1978, on turn-over of £18.2m (£16.1m)—as reported April 6.

As previously, no depreciation is provided on freehold buildings and leaseholds which have unexpired terms of more than 24 years, and in this reapect the accounts do not comply with SSAP

counts do not comply with SSAP

12. The auditors say it is not practicable to delermine the amount of the depreciation charge for the year required by this accounting standard.

The chairman explains that he confidently anticipates that the growth in the value of the group's freebold and long-leasehold properties will significantly outsirip the rate of infialion. outsirip the rate of infiglion, which will have the effect of increasing its net asset backing— currently in excess of £3 for each ordinary 2Sp share. For this reason, therefore, the Board does not fel that SSAP 12 is applicable to the company.

Mr. Muller reports that cash

resources available for expan-sion are at a record level, des-pile the repayment during the year on favourable terms of a Meeting, Connaught Roosms, WC, June 27, noon.

Ecclesiastical Insurance £1.4m profit

A turnoround to profitable underwriting in the year 10 February 28, 1979, and higher investment income resulted in pretax profits of the Ecclesiastical Insurance Office rising by one-third from fill the film.

third from £1.1m to £1.4m.
Despite the severe winter, when £40,000 was paid out in claims in January and February. an underwriting profit of £22,000 was achieved, against a loss of f160,000 in the previous year.

Investment income, hoosted by the proceeds of the preference issue, advanced by nearly 30 per ceni to £1.3m, hut realised investment profits were only £107,000 againsi £342,000 pre-The improved trading positioo

enabled lie company to increase the amounts paid annually under covenant for Church purposea. A sum of £275.000 was made in grants for the year under review compared with £250.000 for the previous year. Profit after tax amounted to E649.000 compared with £408,000. Premium income on the life

assurance fund during the year jumped by 30 per cent from £2.9m 10 £3.6m and investment income by 16 oer cent from fim to £1.2m. Claim vavmeots were and the life assurance fund stood at £13.9m at the end of the period compared with £12.1m at the beginning.

the beginning.
On the life fund there was about £1.75m available for investment over the period of the beautiful was invested in which two-thirds was invested in gilts and the remainder in equities. The company was dis-appointed that there was a lack of sullably-priced property investments.

INVESTMENTS.

IN BRIFF

KEYSER ULLMANN HOLDINGS—
Results for year to March 31, 1979, siready teported. Currient deposit, etc., eccounts, £186.03m [C177.05m]. Acceptances, £18m (C10.2m]. Cash, balances, et call and 31 ehort notice, £26.85m (£21.6m]. Short-term deposits, £38.4m (£22.2m]. Advancea, debiore and doubtful debts. C134.35m (C129.41m). Prudentel Assurence holds 17.08 par cent of issued ordinary and English Property Corporation, 9.94 per cent. Meeting, 25 Milk Street, £.C., Juna 28 at noon. SEARS ENGINEERING (subsidistry si Sears Holdings)—Turnovar for 1978 £185.28m (£159.36m) and exceptional item £761.000. Fixed excets £24.43m (£21.6m) and exceptional item £761.000. Fixed excets £24.43m (£32.66m), current assets £718.07m (£104.48m] and liabilities £86.34m (£74.18m). Increase in working cepital £11.15 sm.

ARITISH SHIEL CORPORATION (subsidiery of Sears Holdings)—Turnover year ended January 31, 1979 (£341.92m (£480.96m) and popiti £77.57m (£58.89m) belore tax. Fixed assets £333.28m (£33.657m), current exsete £135.68m (£124.45m] and liabilities £86.35m (£35.69m) (£36.98m). Fixed assets £333.28m (£36.57m), current exsete £135.68m (£126.45m] and liabilities £86.35m (£36.89m). Fixed assets £33.28m (£36.57m), current exsete £135.69m (£1.78m). Meeting, 40 Ouke Street, W., Juna 26 at 11.10 am. alooktey's (£36.98m) increase in working cepital £1.06m (£5.78m). Meeting, 40 Ouke Street, W., Juna 26 at 11.10 am. alooktey's respected by severe westher, but an improvement in trede should meteralese. Meeting, 71.978 reported May 4. Fixed essets, £1.37m (£1.41m) and net current assets £2.57m (£1.94m). Net current assets, IN BRIEF

CLUBS

EVE. 189. Regent Street. 734 0557. A la Carte or All-in Menu. Three Soccasular Floor 5hows 19.45, 12.45 and 1.45 ene music 9l Johnny Hawkesworth & Friends.

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ART GALLERIES THACKERAV GALLERY. 12. Thackerey St. Kensington Sq., W.S. 01-957 She3. LESLIE PROTHERO. Until 15 June. LUMLEY CAZALET, 24 Caves St. W.1.
01-499 5058 AKIRA KUROSAKI—
Recent Woodcust. Until 27 July
THE PARKER GALLERY, 2. Albemeric
Street. Decacility. W 1. Exhibition of old
Marine, Military and Sporting and Tagagleanical Prints and Palmings and Shiba
Models.

MALL GALLERIES, The Mail, S.W.1. Saciety of Grechic Artists. Mon.-Fri. 19-5, Sats. 10-1. Until June 15. Adm. 290. JPL FINT ARTS, 2d. Ravies St. London. W.1. 01-493 2630. PIERRE EONNARO ORAWINGS. May 22-July 5. Mon.-Fri. 19-6.

Waterford Glass 24th year of record profits



Results and Dividend

Profits before tax reached another new record at £10.6 million, 17.9% up, while profits after tax

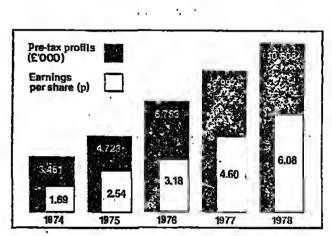
A final dividend of 26.667% is proposed making a total of 46.667% for the year, compared with a total dividend last year of 35%. A one for two bonus issue is also proposed.

Group sales rose 16.2% from £100.4 million to £116.7 million.

1979 Prospects

Chairman says the prospects for the coming year look healthy for all members of the Group.

Registered Office: Kilbarry, Waterford, Ireland



Copies of the report and accounts are available from McLeisb Associates Limited, Tudor House, 24 Tudor Street, London EC4Y 0JD.

COMPANY NOTICES

EUROPEAN FERRIES (CDR₅)

The undersigned announces that the Annual Report (year ended December 3|, 1978) of European Ferries Limited will be available in Amsterdam at

Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank

Bank Mees & Hope N.V., Pierson, Heldring & Pierson

Kas-Associate N.V. AMSTERDAM DEPOSITARY
COMPANY N.V. Amsterdam, 25th May, 1979

STAR EUROPEAN FINANCE N.V. FF 100.000.000. LOAN 8%-

Sondholders are hereby informed that second instalment of emortisation due June 15 1979 amounting to F5 6099.999.— has been entirely effected by repurchase on the market. The Fiscal Agent CREDIT LYONNAIS-LUXEMBOURG

GAGEK (MALAYSIA) BERHAD

incorporated in Malaysie)

NOTICE IS HEREBY GIVEN that the
half rearly interest of 19 pet centum
per annum will be paid on 39th June,
1979 to debenture holders on the vegister
of members at the close of business on
21st June 1979.

21st June 1979.

By Order of the Soard
OH KIM SUN
LEE HAU HIAN
(Secretaries)

LEGAL NOTICES

THE COMPANIES ACT, 1948
In the Maner of CHISWICK QUAY
MARINE SERVICES LIMITED formarly
ALVICEOFT LIMITED, Hirers, regainers
and dealers in ships boots. Winding-up
Order marks 30th Agril 1879. Tale and
place of first meetings: Creditors 19th
June 1979, st 229 Templer House, 81
Hinh Holborn, London WCIV 6LP, st
2,00 o'clock: Contributories on the
sems is a sind at the same place et
2,30 o clock.
L. R. 8ATES,
Official Receiver and
Provisional Liquidator.

Donations and information: Major The Earl of Ancaster,

KCVO, TD., Midland Bank Limited, 60 West Smithfield

Ex-Service

British Limbless

GIVE TO THOSE WHO GAVE—PLUASE

MAKITA ELECTRIC WORKS LTD. MAKITA ELECTRIC WORKS LTD.

(CORS)

The undersjoned ennounces that as from June 14th 3979 et Kas-Associalie N.V. Spuistraal 172.

Amsterdam, eiv. Cp. no. 17 (eccomov en "Amdavil") of the COR's Mekita Electric Works Ltd., will be pavable with Offs 2.04 net per COR, repr. 1.999 sits. Ieiv. per record-dete 2.20.79: gross YS.— a. sh.J after deduction of 15% Jacoenese tak = Yen 37.50 = 0f. — 36 per COR, repr. 50 shs. end Yen 750.— = Dfs. 7.29 per COR, repr. 1.000 shs. Without an Attidevil 29% Jac. tax (= Yen 50.0.— € 0fs. — 46 a. COR repr. 50.0.— € 0fs. — 46 a. COR repr. 50.0.— € 0fs. — 46 a. COR repr. 50.0.— € 0fs. — 40 sh. after 1.999 shs.1 sh. after 9.29 79 the eiv. will only be paie under diduction ol 29%, Jaa. tax with Dfs. 1.92 net. per COR rear. SO shs. and Offs. S8.40 net. oar COR repr. 1.009 shs., is accordance with the Jepanese tax repolletions. Amsterdam. 25th Mey. 1979.

Notice to Bondholders
F. L. aMIDTH & CO. ALS
U.S.520.000.000 91: DER CENT
BONDS QUE 1989
Bondholders are hereby notified that
the Annual Report end Accounts for
the veer ended Oecember 31st. 1978,
of F. L. Smieth & Co. AlS ere eveilable et the Office of The Chase Menhettar Bank, N.A.. Corporete Trust
Oeaartment, Woolgete Hoose. Coleman
Sireet, London ECSD 2HD.
THE CHASE MANHATTAN BANK:
N.A.. London
Principal Peylag Agent
Outnd Jone 1979.

ART GALLERIES

and lithographs.

LEFEVÆE GALLERY. CONTEMPORARY PAINTINGS. Weekdeys 19-5. Sats. 19-1. At 30. Gruten Street. Loncon. W.1. Tel. 01-493 1572.

MARLBORGUIGH. 9. Albemurie St., W.1. SIONEY NOLAN. Selected works and new graphics. Mon.-Frl. 19-5.39. Sat. 10-12.39. 10-12.39.

OMELL GALLERIES, 49, Albemarie St., Piccodilly, W 1, New selection of inne modern French paintings metuding aluncherd. Chorilous. Deschamps. Delin, arosoct. Herve. Jetob. Pesset. Robin, etc., etc. im modern arilish merine paintings and watercolours. and watercolours.

James's, SW 1. 19th CENTURY
ENGLISH AND CONTINENTAL OILPAINTINGS. Our current stock combrises
over hive hundred selected works with
grices from 1400 to 12,003. For further
cetalls abono 91939 4274-5.

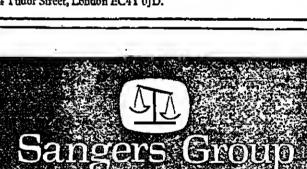
WE, THE FOR HELP We come from both world wars.

We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association. BLESMA (the British Limbless Ex-Service Men's Associatino) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right enlitement to pension. And, for severely haodicapped and the elderly, it provides Residential Homes where they can live in

EX-Service peace and dignity.

Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.



Profits surge 31 per cent

Extracts from the statement by Mr H. T. Nicholson (Chairman) covering the year to 28 February 1979:

	1979	1978
	£000	£000
Turnover	98,184	90,798
Profit before tax	2,167	1.651
Profit after tax	1,957	1,217
Dividends	622	522
Earnings per share	21.82p	13.96p

- * Substantial increase in pre-tax profits up 31 per cent.
- * Dividend for the year increased by 10 per cent.
- * Profit improvements in Pharmaceutical, Photographic and Irish Divisions.
- * Retail Optics now one of the foremost groups

Copies of the full Report and Accounts will be

The Secretary THE SANGERS GROUP LIMITED Cinema House, 225 Oxford Street, London W1R 1AE.

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Two superb executive aircraft for charter, with experienced captain

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Bell Jet Ranger Halicopter Based at Brooklands Airport. Weybridge, and available throughout the UK. Could be used for lerrying passengars to and from the Cessna 421.



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Highlights from the Annual Report 1978 Consolidated Figures (in million DM) Loans to Customers 11,030.8 10,377.7 Total Deposits 6,111.3 **Bonds** issued

The complete Annual Report in German and summarized Annual Reports in English and French are

Managing Partners: Dr. Wolfgang Graebner, Herbert H. Jacobi.

Equity Capital and Reserves

Total Assets

Southern Germany's foremost available on request. business and financial center. BHF-BANK now has on-the-spot facilities to service internationally Dr. Hanns Christian Schroeder-Hohenwarth, Klaus Subjetzki, Rüdiger v. Tresckow active companies in all major

487.1

17,677.6

German economic regions. International growth continued to expand in all major spheres, particularly with multimarket corporations throughout the world.

BHF-BANK, synonymous with

the finest in German merchant

banking, posted good results in

1978. Consolidated total assets

grew to DM 17.68 billion as com-

pared with DM 16.05 billion the

previous year. Earnings rose at a

At home, a full-service branch

was established in Munich,

corresponding pace.

In line with its long-term objectives, BHF-BANK took important steps in 1978 to further broaden the geographical base of its capabilities. An office was opened in London, and the Bank acquired full holding of its Luxembourg subsidiary, BHF-BANK International.

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The trade centre of the Arab World.



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Dubal is the natural commercial and distribution centre of the Middle East. Through its ports comes much of the traffic serving the Gulf States and other Arab nations. Dubal has therefore always been the natural crossroads between the West and the Middle East and is now poised to become even more important. It is therefore the ideal venue for trade and technical exhibitions in the Arab world, and for associated conferences. The more so, because of its cosmopolitan

world, and for associated conferences. The more so, because of its cosmopolitan and international lifestyle.

Thus, a need sprung up in Dubai for the ultimate in exhibition and conference facilities—and the need has been met by the construction of the new Dubai international Trade Centre, its exhibition hall provides the best air-conditioned display space in the Gulf, with the most modern exhibition lighting systems.

Every support facility is available, from show management offices to permanent office because where restrictions and saw is VLP between

Every support facility is available, from show transagement offices to permanent refreshment areas, restourants and special VLP budges.

In addition, there are excellent conference and office facilities in the adjacent 38-storey tower, including sophisticated audio visual aids, Delegates, exhibitors and visitors will velcome the immediate proximity of the luxurious 400 from Hilton Hotel, with its International restaurants, bars, swimming pool and sauna, And of course, the entire complex offers unrivalled commercial services (felex, photocopying, printing etc.), maintenance and 24-hour security facilities.

All in all, for those organising exhibitions or conferences to the Middle East, the Dubal International Trade Centre, being at the centre, is the only Centre.

Find out the facts for yourself contact: U.K. Offices: Seymour House, 17 Waterloo Place, London, SWI Y4AR
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Dubai Office: Trade Centre Management Company

- Dubai PO Box 11420 Dubai, U.A.E.
Telephone 472200. Telex 47474

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Lighting 13 [5 lax at floor lead Underfloor grid 370x 13 amported on the Continuous Continu recket outlets
Coding beight II metres clear
over 40x 36 metres column-free

All minimum does need vot metr
(24 Integrated system)
Furnished of gambers' offices





S. G. Warburg executive director

Mr. Stephen Maran has been appointed director of finance of LLOYDS AND SCOTTISH and will be based at group head-quarters in London. He was previously director of credit of Lloyds and Scottish Finance. Mr. Colin Harrison, Mr. Gordan Rycroft and Mr. Nigel Turnbutt have joined the Board of Lloyds and Scottish Finance.

Mr. Stephen S. Clarke, a prector of Charterhouse has been the hoard of Development, appointed to the hoard of NELSON HURST AND MARSH



Mr. Stephen Clarke

broking group in which Charler-house Development Capital has recently acquired a minority

Mr. K. C. B. Mackenzie has oeen elected to the Board of BOND STREET FABRICS and has been appointed chairman. Mr. Mackenzie is to retire as deputy chairman and from the Board of British Home Stores oo June 27.

Mr. Lionel Savery is resigning as personnel director of IPC MAGAZINES for personal reasons and will be leaving the company in August.

Mr. F. W. Stevens has been appointed chairman of MYER EUROPEAN BUYING, a subsidiary of Myer Emporium of Australia Mr. G. W. Gallimore has been elected managing director.

Two senior appointments have been made to the secretariat of NORTH WEST GAS. Lientenant-Colonel Edward Hibbert has been appointed senior assistant secretary (admioistration) and Mr. Clive Taylor, senior assistant secretary (property). Each will head his own section within the s**ecretariat**.

Mr. Garin Boyd has resigned as a director of STENHOUSE HOLDINGS at his own request hecause of increasing pressure of other commitments.

Mr. P. Butler has heeo appointed the executive director responsible for the North American aviation divisioo of STEWART WRIGHTSON. By mutual agreement, Mr. J. Bowden has been released by the company from his cootract of service to take up another position and he will he resigning from his directorships and all his appointments within the Stewart Wrightsoo Group.

ALEXANDER HOWDEN
UNDERWRITING states that
Mr. J. G. Thorpe, who was previously deputy underwriter to
marine syndicates 696 and 697,
has been appointed underwriter
following the existence of Mr. following the resignation of Mr. P. M. Salt. Mr. D. B. Hepworth has joined the syndicates as deputy underwriter.

Mr. A. O. Cox, chalrman of Todd-Rixton (Steels) and formerly with British Steel

Tanker shortage forecast

OIL TANKER construction should increase significantly hy 1982, prompted by the improvement lo world tanker demand/ supply balance uoderway and a recovery in freight rates between now and the early 1980s, said Terminal Operators.

Terminal Operators, the independent research and coosul-taccy arm of the Eggar Forrester Shipping Group, said, however, it seems unlikely freight rates will rise aufficiently in the period up to 1982 to cover fully current and capital

New huilding of large carriers will consequently fall short of mid-1980 requirements giving rise to the prospect of a hoom market in 1982-85.

Terminal Operators estimates a point of near balance for crude carriers may he reached in 1982 when the surplus falls to about 1.9m deadweight tonnes from the 1978 figure of 102.3m tonnes, while product carriers are likely to be in deficit by around 1a.1m tonnes.

The crude carrier fleet is projected to fall to 312.5m tonnes in 1982 from 328.1m tonnes in 1978, taking into account known new building and likely scrappage rates. The product carrier fleet is projected to fall to 18.5m

tonnes from 22.1m tonnes. International trade in crude oil is forecast to grow by 5.7 per cent per annum up to 1982 to 2.019m tonnes, while products trade is forecast to rise 4 per cent per anoum to 39am tonnes.

Mr. J. R. Saoders has been corporation has been appointed this appointment, Mr. Newman elected an executive director of chairman of JOHN ORMEROD was simultaneously appointed director of the Board of ASR PANY.

Mr. S. R. Stephens has been appointed a director of PROVIN-CIAL CITIES TRUST.

Mr. H. G. Buck has been appointed chairman of STAR OFFSHORE SERVICES. He succeeds Mr. G. W. Searle, who is to retire this year. Mr. Peter D. Hulroyd-Smith.

at present commercial director of CONSOLIDATED SAFE-GUARDS, has been appointed joint managing director.

Mr. R. H. K. Seelig has been appointed to the board of MORGAN GRENFELL AND CO.

Mr. Michael J. D. Church has heen made managing director of CROWN CENTRAL INTERNATIONAL (UK), a subsidiary of Crown Central Petroleum Corporation. Mr. Church was general manager of the London office until the end of March this year.

Mr Graham Haywood has been appointed executive director of HOVERINGHAM Lloyd's Brokers.

Mr. Ron Applegate has joined TRIPLEPLAS MACHINERY SALES as southern area

Mr. Peter W. G. Tom has been appointed deputy chairman of the BARDON HILL GROUP, In addition. Mr. Tom and Mr. David J. Manchip have become joint managing directors of BARDON HILL QUARRIES ILONDON; and Mr. S. Fred Wapples has been made manag-ing director of STEER PLANT

Mr. Peter R. Francis has been elected to succeed Mr. Kenneth J. Burton as chairman of the ASSOCIATION OF CONSULTING ACTUARIES.

PROCTER AND GAMBLE has made the following Board appointments: Mr. B. J. Hintz becomes deputy managing director, and Mr. T. J. Mason director of advertislog on July 1.

Mr. Noel Newman has been appointed managing director of ASR SERVOTRON MANUFAC-TURING, part of the ASR Servotron Group. On taking up

Mr. Jack S. Defries has joined GREENE AND CO., stock-brokers, as an associate member.

Mr. J. Rubert A. C. Clement Mr. J. Rubert A. C. Clement has been appointed a vice-president in CITTBANK'S world corporation group Mr. Clement, who is hased in London, works in the group's Europe. Middle East and Africa division. Mr. Otto W. van der Wyck has heen appointed a vice-president of CITICORP INTERNATIONAL BANK Breed in London, he is BANK. Based in London, he is responsible for developing the bank's corporate finance business in Europe.

Mr. David R. Sinlgaglia has heen appointed group manacing director of AtRFIX INDUSTRIES. Consequently the group's two operating divisions will now he amalgamated under Mr.

he amaiganated under Mr. Sinigaglia's authority. Mr. John A. S. Gray, having reoched the age of 59, and in anticipation of retirement, will remain on the



Mr. David Sinigagila

board with special responsibility for new product development. The following appointments to subsidiary boards have been made: Mr. Ray McNeite. managing director, Meccano;

Craynnne; Mr. Frank Wheel managing director, Airax Po-wear; and Mr. Robert Wils-managing director, TAL Imp

Mr. Kenneth C. Ford has been appointed an additional estate surveyor with the SCOTTIS METROPOLITAN PROPERT COMPANY.

Mr. James Prior. Secretary i State for Employment, has r constituted the PETROLEU INDUSTRY TRAINING BOAR INDUSTRY TRAINING BOAR for a further three years. I has reappointed Mr. E. Choppen as chairman and huamed 14 other members. The include five new members: I E. W. Allsop, Mr. R. R. Butler, Mr. M. S. Heffernan, I W. Pritchard and Mr. W. Simpkins. One employee members one educational march. and one educational me have still to be appointed.

Lord Remnant, joint managi director of Touche, Remnant 2 Company, has been appoint chairman of the BANK 1 SCOTLAND'S London lo Board in succession to the 1 Lord Allan of Kilmahew.

New director of the Scott Federation of Housing Asso-tions is Mr. Jim Sillars, MP South Ayrshire from 1970 to this year. The SFHA prome the voluntary housing movem in Scotland representing m than 140 associations devoted the provision of better hous: Mr. Sillars, who is 41, on from Ayr. Before heroming MP he was head of the Organ tion and Social Services Dep ment at the Scottish TUC.

New president and officers the Birmingham Chamber Industry and Commerce elec thday are: president, Mr. J.
Brown, vice-presidents, Mr.
David Owen, Mr. J. A. B;
treasurer, Mr. N. R. Gillott,
Mr. J. L. Brown was farm chairman and managing di tor of the Birmingham Post Mail. He is a director of I Holdings and was the Presit of the Newspaper Society 1976-77. Mr. A. D. Owen is chair

and group managing directo Rubery Owen Holdings.

Mr. J. A. Black is a for honorary treasurer of the Ci her and will also be elected vice-president.

He is chairman of Chi Barker, Black and Gross,

A FINANCIAL TIMES SURVEY

MEXICO OIL AND GAS

July 27 1979

The Financial Times proposes to publish a Survey on Mexico Oil and Gas. The provisional editorial synopsis is set ont below.

INTRODUCTION: Opportunities offered and problems posed by Mexico's oil wealth. The balance of payments, industrialisation, regional policy. PRODUCTION ONSHORE: Big new finds in Southern Mexico. The supply of equipment and labour.

OFFSHORE PRODUCTION: Pemex begins the offshore search in favourable circumstances.

NEW PROSPECTING: Pemex begins exploration for oil in areas not previously thought to be oil bearing. GAS PRODUCTION: The output of gas, wet and dry, and the possibilities

for increasing production. PEMEX: A portrait of a company which has emerged as one of the world's biggest corporations after a period in the doldrums.

OIL AND GAS DISTRIBUTION: The siting of refineries and the laying of pipelines.

MARKETING: The domestic pricing policy for oil and gas. Mexico's export strategy and selling policy to the U.S.

PERSONALITIES: Brief sketches of leading figures in the industries. FOREIGN SUPPLIERS: The role, actual and potential, of foreign oil companies and equipment producers in Mexico.

For further details of advertising rates please contact:

Helen Lees

Financial Times

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EUROPE'S BUSINESS NEWSPAPER

cation dates of Surveys in the Financial Times are subject to chape at the discretion of the Editor.

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A.N. AND WHITE MOTOR

Both sides return to square one

of the U.S. and MAN lies back to square one irkets in the U.S. And in New York were lispse must have been since the deal would have strengthened the

ick makers positiona in America possibility of a deal first of last October, when nnounced plans to buy a or cent stake in White market MAN trucks in America, and later le them, using MAN and land the ide components

plan was logical. White hased in Eastlake, Ohio. weakest of the hig seven ary makers. With only 7 it of the market it comagainst such giants as eneral Motors, Mack and tional Harvester, It also ers, the burden of past a solld profit for years. But, handicapped by its lack stake in White, at a cost of is not paid a dividend of money. White needed a \$77m, effectively increasing its ne first quarter of 1975. partner to move forward, commitment fivefold.

previously-authorised

balf.

the U.S. and MAN to gasolioe power, and offers Germany puts beth little scope for expansion of the diesel-powered trucks in which

request for new products. White specialises.

arkets in the U.S. And On the other hand, White has

THE COLLAPSE of the deal is a potential embarrassment to the financing plans of both MAN and its parent company, GHH, our Finaocial Staff writes. Between them the two groups had planned to ask reholders for nearly DM 375m (\$195m) in order to go shead with the link with White Motor.

GHH planned a one-for-seven issue at DM 160 a share in order to subscribe new

and an extensive distributor that White wanted to develop, and servicing network. Its long- So, a liok-up would give MAN term strategy is to expand into a springboard into the U.S. the Class Six truck market market, and White the money (19,501 to 26,000 lb) which is and technology it wanted. burgeoning with the trend to The two companies' enthu- Had the deal gone through, smaller, more efficient vehicles, siasm for the deal became MAN would have had an edge annual interest charges. Furthermore, only 10 per cent evident three months later in on its European competitors. large bite out of earn- of this market is diesel-powered, s a result, White has not offering hig scope for expansion.

e's strength is io the Indeed, it had already sought

exaco raises spending budget

orated has reised its 1979 of crude oil and natural gas, result in very major invest worldwide, and over \$60m will ments designed to expand by about \$150m from duction

The company said the rest of

of the increase will be. About \$16m of these down-upgrade yields of petrown projects, with about stream investments will be for derived petrochemicals.

oject investments will be the \$16m in U.S. new project tion from older wells.

T INTERNATIONAL BOND SERVICE

FLOATING RATE

FLOATING RATE
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with most of the the new project investments will heating oil and other light oroie to be spent in the be in manufacturing, transporducts that bave been io tight

I U.S. spending this year liminary expenditures for new an additional \$14m outside of

Texaco said "if the economic get for U.S. well workovers to limate proves to be attractive," maintain and increase produc-

tation and marketing projects supply."

duction.

company said that about for hringing petroleum provicts

budgeted at over \$1bn. U.S. manufacturing facilities.

\$80m of the \$125m in climate proves to be attractive,"

ploration and production manufacturing spending could Reuter

of the increase will be to the market place."

of that total for the U.S. engineering and early pre-

pean lorry concerns, it wanted to lovest hig sums to do so. MAN also had the expertise in modern plant, good expertise the amailer truck technology

> capital for subsidiaries. MAN, wblch is 75 per cent controlled by GHH, opted a one-for-five issue at DM 142.5 a sbare. It may not be too late for the two companies to abandon their proposals. But whether they will want to is another

matter. At the time of its rights announcement, GHH declared that, as well as financing MAN, it wanted to be in a position to take advantage of acquisition posi-

February, when they announced that MAN would take a majority

But when it came to studying Eight: truck: market a tie-up with Daimler-Benz, the nuts and bolts of the agree-ba and over). But this MAN's arch rival. ment, top executives from both ment, top executives from both only class in which all MAN, a subsidiary of Gute- sides evidently began to see

manufacturing lead-free motor

gasoline, aviation jet fuel, home

The company said it might

also make major expenditures to

upgrade yields of petroleum-

It also said it has allocated

the capital and exploration bud-

COLLAPSE over the major manufacturers compete hoffnungshuette, the West Ger- snags. In recent weeks, White d of the proposed trans. The market is also 95 per cent man engineering giant, seemed took some trouble to atress to link-up between White saturated with diesel as opposed ideal. Like many large Euro, the press that the deal had only been proposed not concluded to expand into the promising Finally, this weekend, at a top-U.S. market, and was prepared level meeting in Eastlake, the two companies decided to call it

> The reason given in the official announcement was that ' synergiatic benefits " would be less than thought. In other words, the deal would not lift the two companies oo to a higher plane than they could reach by themselves. So, it was scrapped.

> For White, the collapse leaves it with its old problems, though its financial position could be said to be slightly better than a year ago. In the first quarter it made a net profit of \$6.7m or 78 cents a sbare against a loss of \$7.5m or 94 cents in the same period last year. But it is un-likely to abandon its quest for

For MAN, the collapse must mark a serious, setback to its plans to enter the U.S. market Had the deal gone through Now, it will prohably fall behind them. Mercedes Benz expects to open a \$6. assembly plant in Virginia oext year, Renault is takiog a 20 per cent stake in Mack Trucks, and Iveco, the Fiat-KHD joint venture, is in The process of assembling

Bunker Ramo turns down \$96m offer

dealer network.

OAK BROOK-The Board of Bunker Ramo, the electrical and electronics equipment group, has rejected Fairchild In-dustries locorporated's \$96m bid to acquire Bunker Ramo. .The announcement did not

come as a surprise as Bunker Ramo's president and this executive officer, Mr. George S. Trimble, bad previously expressed serious reservations bout the acquisition.

Faircbild, which already owns 20.6 per cent of Buoker Ramo, made its offer on May 18 to buy the remainder for \$96m In cash and stock. An earlier agreement bars Fairchild from purchasing more than 21 per cent of Bunker Ramo without the approval of the Bunker Ramo Board

On Friday. Bunker Ramo said Its study of the proposed merger concluded that the proposal was "inadequate" and was not in the best interests of either the company or its sharebolders. Fairchild Industries bad no

immediate comment to make concerning the rejection.

Kaiser Cement buys stake in Florida Mining

TAMPA-Mr. J. L. Cone, a member of the board of Florida Mioing and Malerials Corporatioo, with several members of his family, has sold an aggregate at 455,000 shares of Florida Mining to a subsidiary of Kaiser Cement at \$32.50 a share in

cash. He and his family has also rootracted to sell an additional 120,519 shares to the same huyer at the same price. Both transactioos represent about 31.8 per cent of Florida Min-iog's outstanding common slock. Mr. Cooe said Kaiser Cement

1 Bid Offer C.dta C.con C.yld S82, 992, 12/7 12.4 12.51 983, 982, 26/10 11.19 11.34 985, 885, 22/8 112, 11.73 883, 985, 22/8 112, 11.73 883, 985, 21/8 112, 11.73 883, 985, 21/8 112, 11.91 385, 985, 22/8 112, 11.91 13.85, 985, 22/11 117, 12.45 983, 1000, 25/7 12 12.02 981, 982, 27/7 11.73 11.81 981, 100 a/s 11.06 11.09 981, 887, 18/8 11.06 11.09 981, 887, 18/8 11.11 11.22 981, 23/8 981, 23/9 11.19 11.24 98 983, 23/9 11.19 11.24 98 983, 23/9 11.19 11.24 98 983, 23/9 11.19 11.24 981, 23/8 981, 22/8 12.81 12.86 983, 983, 22/8 12.81 12.86 983, 983, 22/8 12.81 12.86 983, 983, 22/8 12.81 12.86 983, 983, 23/8 11.44 11.49 98 983, 23/8 11.44 11.49 98 983, 23/8 11.44 11.49 98 983, 23/8 11.44 11.49 98 983, 24/7 12.19 12.25 983, 983, 24/7 11.19 11.25 983, 983, 24/1 11.19 11.25 983, 983, 24/1 11.19 11.25 973, 983, 24/1 11.1 11.28 973, 983, 24/1 11.1 11.28 973, 983, 24/1 11.1 11.28 973, 983, 24/1 11.1 11.28 management has agreed to recommend to its board that it make an offer to acquire the remainder of Florida Mining at \$32.50 a share casb. This pnts a total value of \$58.8m on the

Steps are being taken to call a meeting of the board of Florida Mining tomorrow to consider the anticipated Kaiser pro-posal. AP-DJ posal.

Simpsons Sears ahead

SIMPSONS-SEARS, the major merchandising groop controlled by Sears Roebuck of the U.S. reports consolidated oet sales of C\$551m in the first quarter against C\$515m a year earlier, an increase of 7 per ceot. Nel earnings were C\$4.7m against C\$4.5m or 6 cents a

share. The company said that while sales and earnings for the first quarter were satisfactory, a recent survey indicates consumers are becoming more opti mistic.

"We expect consumer confidence plus strong promotional efforts and strict cost controls will enable us to generate favourable sales and earnings for the full year," said the com-

THE EUROBOND market was very quiet yesterday with dealers reporting virtually no turnover. All the major European finaocial centres except London were closed. In London, the prices of many bonds were marked down by

Citibank 3 adjusts lending rate

NEW YORK-Citibank has made an adjustment to the formula it uses in setting its base lending rate or prime rate. The adjustment was made to "try and bring the hase rate formula into line with actual money cost trends.'

formula

Citibank's formula now calls for adding 150 bests points to the three-week moving average of the 90-day secondary market rate for negotiable certificates of deposit. The hank had been adding 125 basis points to arrive at its base rate.

The calculations are based on weekly averages reported by the Federal Reserve Bank of New York each Wednesday.

Under the new formula, a base rate of 11.65 per cent is called for. But Citibank moves its rate io quarter point increments. Thus, the Bank beld its prime rate nuchanged at 111 per cent last Friday.

CPI in \$217m property bid

TORONTO - Maratbon Realty Company, a unit of Canadian Pacific Investments has made a proposal to acquire General Growth Properties by way of a cash; merger at U.S.\$35 a General Growth share. Canadian Pacific Investments is 82 per ceot owned by Canadian Pacific of Montreal.

Marathon said the aggregate purchase price for 6.2m outstanding shares of General Growth is about U.S.\$217m.

Following news of the fer. General Growth offer. General Growth Properties postponed its annual meeting, originally scheduled for June 19. General Growth said that

any agreement between it and Marathon Realty would be subject to the approval of trustees of General Growth and also the approval of twothirds of ils outstanding

The company added that It is providing Marathon Realty with information requested by that company for a business review of General Growth's operating.

Abu Dhabi Investment Company

Société Générale de Banquo S.A.

Standard Charlered Merchant Bank

INVESTMENT IN MEXICO

Foreign interest revived

BY WILLIAM CHISLETT IN MEXICO CITY

revenues will fuel an economic for State interests.

boom in Mexico has inspired a "What is the use sbarp increase in the rate of foreign investment.

Overseas investors had been largely keeping out of Mexico since the devaluation of the peso in 1976. But the economic outlook bas

now greatly improved and the country's oil wealth offers the prospect of rapid industrial expansion. Gross domestic product is forecast to increase at 7 per cent this year, and investors are almost falling over themselves to establish joint

Just as foreign bankers are queuing up to offer credit to a Government whose already high international rating seems to rise higher with every new oil find, so also are foreign investors, previously critical of Mexico's investment controls, with far less disapproval.

to \$653m and that in 1982 it could be more than \$1.5bn. The Government is prepared There are 260 foreign invest to relax the 1973 Investment ment projects uoder review. But, far from welcoming all foreign investment, the Government is vetting all potential investors and selecting only

ment plans. out of Mexico for a time, the thing "foreign" has bordered on the xenophobic. Foreign as

rallways, postal services and radioactive minerals, all of reaching bursting point, and and Britain \$216m,

THE HOPE that rising oil which are exclusively reserved unemployment and

"What is the use of a chain of fried chicken restaurants to the development of Mexico?" asked Sr. Armando Munoz Ocariz, a sub-director of the Committee. "We are looking for foreign investment in uur priority sectors - technology which we cannot develop our-

selves, capital goods, tourism and agro-1-dustry." Traditionally, foreign investment has been ceotred around

Mexico's economic outlook has now greatly improved, and with the country's oil wealth offering the prospect of rapid industrial expansion, investors are almost falling over themselves to establish joint ventures

The Foreigo Investment and electrical products, food pro-Technology Committee estimates cessing, pharmaceuticals and that this year new foreign io-vestment will rise by 70 per cent on remittanre of profits and repatriation of capital.

The Government is prepared which investors to 49 per cent ownership and allows up to 100 per ceol ownership in priority

sectors.

The three main factors taken those which it considers will benefit the country's develop- into account when considering permission for a joint venture Since the nationalisation of or a wholly-foreign owned comthe petroleum industry, when pany are: how many new johs most foreign companies pulled will be created by the project, whether or not it will generate Government's attitude to any- exports and whereabouts in the interest,

country it will be situated. Decentralisation and iocreaspetroleum, basic petrochemicals, Development Plan. Mexico City, with a population of 14m, is

employment are estimated at more than 40 per cent of the workforce. New industrial workforce. centres are to be created around

the country.
Foreign firms meeting these three requirements and also agreeing to a "programme of Mexicanisation" will be able to enjoy the 25 per cent tax credits and 30 per cent cheaper cicc-tricity, natural gas and fuel oil that are made available to Mexican companies.

Mexicanisation, for those firms allowed to establish them-selves with 100 per cent foreign realistic" and would only occur after such companies were well all companies would have to

"Mexicanisation is not an end in itself," he said. "It is not that we hate foreigners, but we want to see them respond to the priorilies of our developmeni. We can he flexible."

However, some rountries, notably Japan, complain that the Government is paying only lip service to its insistence that the

investment law is flexible. Sr. Munoz Ocariz said that the Government was not holding out

a false carrot in saying that in some cases 100 per cent ownership would be allowed. A German lourist company, for example, was recently established with 100 per cent foreign

The U.S. share of foreign investment has been declining in the past few years as other cnuotries have increased their

Acrording to the Investment Committee, total U.S. cumulative we'll as Mexican private entering employment are key factors investment at the end of 1978 prise is excluded from in the national Industrial was \$4.2bn, which is 70 per cent of the total. Sweden has

Japanese groups in U.S. moves

and one in the restaurant Opel.

major vehicle makers, is to import the Opel, which had sold establish its own U.S. distri- 12,353 cars so far this year. But General Motors' decision to stop to sell the small truck. Francis selling its cars. UM owns 34 per cent of Isuzu. Detroit GM currently markets its C. Itob is the Japanese com- AP-DJ selling its cars.

concerns own fuel-efficient compact cars pany's largest stockholder yesIerday announced plaos for that compele directly with new ventures in the U.S.—one Isuzu's Gemini, which had been in the field of motor vehicles sold in the U.S. as the Buick

The maoufacturer announced Isuzu Motors, one of Japan's on Friday that it will no longer hutioo channel in the wake of it said that it would continue

Meanwhile, Yosbinoya West, a subsidiary of Yoshlooya Company of Japan, is to open its first west coast Beef Bowl resjauraot in dowotown Los Angeles this week.

After completing its plans for Los Angeles, the company is hoping to branch out to San Francisco, Chleago, Houstoo, Detroit and New York.

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in Eurobonds By Francia Ghilès

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Convertible bonds: Oenominated in dollars unless otherwise indicated. Chp. day = Change on day. Chv. dato=First dete for conversion into shares. Chv. price | Nominal omount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentego premitted of the current effective price of acquiring oheres via the bond ever the meat recant price of the shares. O The Financial Times Ltd., 1979. Recorduction in whole or in part in any form not permitted without written consent. Data supplied by inter-8 and Services (a subsidiary of detaSTREAM Infornational).

Slack trading

of a point in a bid to attract

huying interest which, in the eveot, did oot materialise.

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PLM lifts earnings in first four months

By William Dullforce in

PLM, the Swedish metal can, packaging and waste treatment concern, made pre-tax earnings of SKr 1-4m (\$318.000) during the first four months, ahead by SKr 0.9m from the corresponding period of 1978. Group sales rose by 11 per cent to SKr 709m

This modest growth does not prevent Mr. Ulf Laurin, the managing director, from reiterating his earlier forecast of a profit recovery from last year's SKr 36m to hetween SKr 50m and SKr 55m for 1979 as a whole. Sales picked up in April and May after heing hampered by severe winter weather.

The packaging division's result was hetter than expected during the first four months and its long-term position was secured by an agreement with Sweden's largest hrewery group, for the delivery of new types of heer and soft drink cans. This will entail an inrestment of some SKr 170m in new production facilities. The new containers are being derelooed in co-operation with Ball Corporation of the U.S.

The four-month result from PLM Haustrup, the Danish company, was weaker than expected sales falling short of contributing to the decline in tatires to the supermarket target and a warehouse fire

The Euroglas division returned a pre-tax loss of SKr 4.3m. as the price war on the West German glass market continued into the beginning of the year. But prices started to recordr in March and Mr. Laurin expects the division to produce a "satisresult during the factory" re-second half.

operation, which has been trimmed down after failing to meet appearations. meet expectations, changed a and Paulne Nagel, the retired skr I.Sm loss in the first four rice chairman of Household months of 1978 into a SKr 2.Sm Finance Corp. profit. An increase in scrap icon prices helped.

Amfas sees turnover rise

ROTTERDAM-Amfas, Dutch insurance group, expects turnover to rise by around unrelated to Tengelmann. Four 13 per cent in 1979 from other outside directors are not Fl 1.19hn (\$566m) in 1978, Mr. J. van Someren, the chairman, room for the Tengelmann cal and automation companies, fuld the annual meeting.

Solid growth continues at BMW

try average, with powerful growth in cash sales, output and exports in the first five months of 1979.

Herr Eberhard von Kuenheim. BMW's chief executive, said that the parent company's sales during the period rose hy between 23 and 24 per cent to about DM 3bn (\$1.57hn).

Production during the period

amounted to 154,000 units— 17 per cent ahead of the com-parable figure for 1978. Exports moved ahead by 13 per cent to 78.000 units.

for domestic Statistics registrations were not available for the fire months, he said, hecause of a breakdown in the Federal Vehicle Registration Office computer. They would, however, show a marked in-

These rates of growth would

Tengelmann in

NEW JERSEY - Tengelmann

retailer that is a major share-

Pacific Tea Company, has

nominated four of its represen-

will raise to six the number of Tengelmann delegates on the

Among those nominated

director is Helga Haub, the wife

of Erivan Haub, who controls

Tengelmann and is its chief

executive. Also named were

According to A and P's proxy

statement, Tengelmann sug-gested those four directors.

Earlier this year, two represen-

tatives of the German retailer

were named to the board. The

remaining seven nominees include three A and P execu-

Baumeister,

vice - president.

13-memher board.

Tengelmann

Société Générale de Banque S.A.

Credit Suisse First Boston Limited

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Société Générale Alsacienne de Banque

Svenska Handelsbanken

A & P board

nominations

Herr von Kuenheim's claim does not mean that there will be a slowdown in the group's growth in the second half of the year. First half figures for 1978 and 1979 are not really comparable as the West German motor industry's performance last year was hit by a damaging

strike in the first quarter. But Herr von Kueoheim has a reputation for erring on the side of caution. In May last year, for instance, he predicted 1978 sales growth of about 10 per cent. Yet by the year's end sales were up a full 19 per

Demand for BMW products, which include motorcycles, dur-ing the opening months of 1979 were described as "satisfactory." The order hook, already very high, has not shown much of

BMW, the West German highperformance car maker, is still
as a whole. The BMW management is sticking to its earlier
above the country's motor industry average, with powerful
and the maintained for the year
as an increase, but production is
assured until the year's end.
Herr von Kuenheim was not
prepared to disclose the
delivery periods BMW is quotment in reach sales culture and ing its customers. However, they are stilt helieved to he

facing long waits for their cars.

In the long term, the BMW management sees no oasic, negative trends likely to affect the car and motorcycle market. However, it helieres that past experience has shown customers

are sensitive to short-term economic changes and therefore, that stronger fluctuations in car demand cannot be ruled It is particularly worried

about growing protectionism as BMW. like all of its German competitors, is heavily dependent on exports. The growing inclination of many countries to try to solve structural economic problems through protectionist measures, could hit Germany

But so far, BMW shows few signs of suffering. Figure: for 1978 show the parent's sales up by 19.4 per cent to DM 5.96bn, with exports totalling DM 2.54bn and domestic sales DM 3.12bn. Group sales rose of 18.6 per cent

Group profits before tax and depreciation moved up by 32.9 per cent to DM 904.1m, while net profits rose by 19.4 per cent to DM 152.4m. Depreciation increased from 1977's DM 255.2m to DM 307.6m and taxes from DM 247.3m to DM 381.7m.

The parent company's net profits increased from DM 125.3m 10 DM 130.6m, while the allocation to reserves rose

from DM 60m to DM 70m. The management is recom-menting an unchanged dividend of 18 per cent or DM 9 per DM 50 nominal skare. Holders of new shares carrying rights to balf of 1978's pay out will receive DM 4.50 per share.

Norwegian banking law upheld

holders have lost the final round in a legal battle over a Group, the West German food controversial new law designed to make the banks more democratic. At the weekend, the holder in the Great Atlantic and Court ruled unanimously that the law, which came into force in January 1978, does not conflict with the coain's board. If elected, they Constitution.

Its ruling reversed a decision last year by Oslo's municipal their sbareboldings in the hanks court, which said that the law (based on the banks total

governing bodies - it neprives them of control over the banks'

The group of 68 shareholders who challenegd the law were seeking full compensation for as it stood offered inadequate assets), because they claimed

Swedish shipyard moves

shareholders

Swedish shipbuilding and engineering group, expects all group companies, except the agreed to the Government's parent and its property subsi-diary, to pass into state hands assets, debts and other obliga-

In its 1978 annual report it states that its shipyard subsi- posed SKr 1.09bn of capital ald diary, Kockums Vary, the last and SKr 1.5bn worth of major privately-owned Swedish yard, will be transferred to the shipbuilding sbipbuilding group, Varv. along with state Svenska Kockums Computer Systems and Kockums Energlsystem.

tives and four outside directors The state-owned bolding com-pany, Statsfoeretag, will take standing for re-election, making over Kockums' industrial, chemileaving the parent. Kockums SKr L. AB, and the property unit, Reuter

This announcement appears as a matter of record only

(Incorporated under the laws of Canada)

U.S. \$50,000,000

10% Debentures due June 1, 1989

GENSTAR LIMITED

Wood Gundy Limited

Daiwa Europe N.V.

Kuwait Investment Company (S.A.K.)

Société Générale

Westdeutsche Landesbank

Girozentrale

Smith Barney, Harris Upham & Co. Incorporated

Sumitomo Finance International

J. Vontobel & Co., Bankiers

the Kockums Fastighets, in private hands after a change of name. Last December, shareholders

> tions for SKr 20m (S4.5ml. The Government later proguarantees to the Kockums and shipping operations.

> Kockums, in its last annual report as a privatae company, said that its 1978 group loss before appropriations and taxes widened to SKr 420m from SKr 61.8m a year earlier, and involced sales dropped to SKr 1.34bn from SKr 2.01bn.

> > June 1, 1979

NORWEGIAN hank share- compensation to shareholders that the measure amounted to appropriation. This argument was rejected by the municipal who wished to sell their shares court. It nid agree, however, that the buy-back price offered because - by putting them in by the state for hank shares was unfairly low.

Under the law, the price is

The municipal court conceded that the constitution entitled shareholders to compensation for the probable ralue their shares would have had on January 1, 1978, had the Act not been passed. It says that a price based on the average price over three years would oe unfairly low because bank chares fell in value when the Labour government announced plans to "democratise" the

Rejecting this argument, the Supreme Court points out that share prices are affected by many different factors. The debate about the proposed law contributed only insignificantly to pushing prices down. In any case, a fall in share prices, as a result of public debate about a proposed change in the law, cannot automatically justify a claim for compensation by the state.

Mr. Tor Moursund, ebairman of the Norwegian Commercial Banks Association, has urged their shares for the time being has yet to equate rising loan since the option to sell to the demand with heavy capital outsince the option to sell to the said he hoped the government would extend this option, so that shareholders would bave more time to reach a decision.

Over the past few months, the Slock Exchange price for bank thares has in some cases been higher than the state bur-hack price, and in some cases lower. reflecting the individual hank's varying performances last year Now that the legal argument has been settled, some bolders of the higher priced shares may decide to take their profits while they can.

A Royal Commission which bas heen studying the structure of the Norwegian credit market has recommended a smaller role on the money markets for the state banks. These banks provide long-term loans and subsidised interest rates industry, housing, agriculture, fisheries and student education. The Commission believes that many groups which now henefi from this extremely cheap credit could well afford to borrow on the private market. It advocates more rapid amortisation of some state bank loans.

Bond market test for W. German authorities

By Jeffrey Brown

MEETING in Frankfurt today to discuss, and perbaps fix, the terms of the latest government offering in the band market, the West German Capital Markets Committee faces a number uf difficult decisions. It needs hadly to gct them right,

The latest shake-out in German bond markets is proving one of the most dramatic in recent memory with yields on long term bonds rising by more than a full percentage pointfrom 7 per cent tu more than 8 per cent-since the end of March. As things stand, with the latest round of oil price increases cumpounding the Bundesbank's problems, few investors see a quick end to the rising trend of interest rates.

It is against this background, and in order to dictate a market level, that the German authorities are planning their second state issue in five weeks. A decision may yet be post-

poned if the foreign exchange markets - closed throughout most of Europe yesterdayshow signs of needing more based either on the market time to digest last week's bout price on January I. 1978, or on inf interest rate increases within the average price over the three the EMS. After all, last month's preceding years, whichever is exercise in bond market cootcol higher. The exact rate is fixed tranches of six and ten year paper—failed dismally. Standing at substantial discounts, the two bonds have still not been fully placed.

> If the Bundesbank decides to act today the options open to it suggest that any 10 year element to an issue will need to be linked to a coupon of 71 per cent, if not 8 per cent. A coupon of 71 per cent would need to be nriced at 99 to compete with existing stocks, and would compare with the coupons of 61 per cent issued for government bonds as recently as November

Last week the Bundesbank was forced to lift its Lombard rate from 5 per cent to 51 per cent, and again acted to Improve market liquidity: this time by

What is clear, however. flows and the need in check by smaller sales ut pin-lever and inflation through tight monetary other cheaper watches, the of next year. Mr. Moursund inflation through tight monetary control.

The bond offering planned by Italian State Electricity Utility Enel will be for L600bn over seven years at 98. The coupon will be 12 per cent. Subscriptions open next Monday. This is the first public bond issue on the Italian market by Enel since last July.

11255

11274

11236

Roche forecasts profits recovery

BY JOHN WICKS IN ZURICH

SOME RECOVERY is forecast which expects sales and profits to be higher in 1979.

According to Fritz Gerber, chairman of the Basle-based parent company "cautions optimism" with regard to this year's results has been con-firmed so far. In the first four months, local-currency turnnver of the companies controlled by the Swiss undertaking and its Canadian halding subsidiary Sapac Corporation, was incre than 16 per cent ar higher by over 3 per cent in terms of Swiss francs.

Last year, combined sales declined by 11.7 per cent to SwFr 4.8hn as a result of trans-lation of consolidated figures into the extremely strong Swissfranc, and net profit fell by 40 per cent to SwFr 201.2m. Mr. Gerber disclosed that overall turnorer would have been SwFr 1bn above its actual level

particularly in a decline in American sales of "Lahrmm" and "Valimm" the concern's leading psycho-pharmaccuticals. This business has levelled nut

in overall Roche-Sapae turnorer this year a Geneva magistrat continued to fall off in 1978, said the Seveso tuwn authoritie dropping to 48 per cent. This were rlaiming damages c sector's share of sales had been \$143m in a lawsuit against th 60 per ecnt as recently as 1975. company.

Although sales increased in by the Swiss pharmacentiacals most natural markets, Swiss-group, Hoffmann-La Roche, franc turnnver in pharmafraue turnnver in pharmacent to Swir 23hn. In rom-parison, the ritamins and fine chemicals product group espanded from 20 to 29 per cent

of group sales.
Sales in terms of locat-currencies rose substantially in 1978 and turnover of the Belgian company, Citrique Belge SA, was included in the consolidated figure for the first time. Turnorer fell by 6 per cent orerall last year tu unde:

SwFr 1.4hn. Rapul reported from diagnostics, agrechemicals and instruments though these operations are no. vet making a major contribution to earnlugs and in part stil need what Mr. Gerber caller development aid."

Roche said it had so far pan about SwFr 26m (\$11,5m) n damages in people affected by Sales last year also suffered from a stagnation in dollar turn over in the U.S. market. Rocks's most important customer for 20ne around the town of Severe pharmaceuticals. This was due and on evacuation and health care for the population.

Mr. Gerber said Ruche wnul-take a positive attilude toward compensation claims from th Italian public authorates, ha he declined to say how mine again this year. he declined to say how muc The share of pharmacenticals the company would pay. Farlie

Swiss watchmaker moves out of loss-making phase

BY OUR ZURICH CORRESPONDENT

l'Industrie Horlogere (SSIH)..

director, indicated that the company, best known as the manufacturer of "Omega" and "Tissot" watches, was successful ast year in its attempt to win

back a positive cash-flow.

The SSIH group, which had recorded a cash drain of SwFr12.Im (S6.97m) in 1977. showed a consolidated cash-flow of SwFr 10.2m last year. Group turnover rose for the first time year at SwFr 1.84bn despite ti that the Bundesbank is still since 1975, improving by 7.7 per that the Bundesbank is still since 1975, improving by 7.7 per struggling to resolve the major cent to SwFr 657m, although half-pear conflicting forces within the actual volume sales of watches acquired Houston. bank sharebolders to hold onto German financial markets. It and movements dipped by 6 per Houston. Had the Swiss fra cent from 7.27m to 6.83m units, parity remained unaltere

decline being more than compensated for in value by a rise of 20 per cent but for the current nearly 30 per cent exports of situation. lectronic watches. The Swiss parent unde M. Gautier, speaking at a taking which foresees distrib electronic watches.

SSIH boped to resume diridend payments in a year's time to lower at SwFr 3.93m, express mark the company's golden optimism with regard to the jubilee. He said that SSIH year.

INCREASED sales and a move should be able to improve from losses to profits is reported market shares in 1979. for 1978 by the Swiss watch-maker. Societe Sulsse pour dirision, which rose by 22 p. cent last year, should increas

Ralph H. Gautier, managing by appruximately 15 per cen Tissot sales, last year rose b 19.9 per cent, and the sales pri gramme is to be expanded the year by a low-price collectio. in addition to the existin medium and high-price watch with this brand. · Group turnaver of the Swi

tuternational forwarding agent Panalpina. Welt-Transport, r cunsulidation for the secon the recent Harle group, urer would have ris by some 12 per cent, while the growth in operating profit would have been of no less the

conference, stated that tien of a 12 per cent divider from net profits SwFr 0.48i

CANADIAN PACIFIC (BERMUDA) LIMITED 81% NOTES DUE 1984

ORION BANK LIMITED announce that the sinking fund instalment due 1st July, 1979, has been satisfied by purchases in the market and accordingly no drawing will take place.

The following notes which were drawn for redemption on 1st July, 1978, have not been presented for payment: 382 11 401 420 439 545 1525 1324 1792 2578 2597 2730 2864 3074 2883 2902 3093 3150 3214 3433 3644 3663 3652 3797 4742 4972 5166 5262 5338 528t 5357 5415 5434 5699 11217

12726

12745

12764

18352 18409 1856t 23262 18580 23357 U5 \$34,600,000 Nominal notes will remain outstanding after 1st July, 1979.

12707

11293

June 1979

15543

15505

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Skandinaviska Enskilda Banken

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INTERNATIONAL COMPANIES and FINANCE

anies and Markets

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ANTHONY ROWLEY IN HONG KONG

oancial concerns, and is at making Hong Kong a ng international reinsur-

d the East Point Rainsur- Re said last night.
Company of Hongkong Other sharebolders in Point Re), the concern its joint majority sbare-s, Jardine Matheson and

e Hongkong and Shanghai og Corporation, and C. T. og and Co. ding Hong Kong groups, Company

reflects the growing importance of Norway.
of Hong Kong as a financial and insurance centre." East Point recently resigned his post as

de France; the Chubb Corporation, and C. T. Insurance Company, Hong and Shanghai tion of the U.S.; Ming An issued and fully-paid capital of Corporation, and C. T. Insurance Company, Hong and Co. Kong, which is closely related partnership between to the People's Reinsurance the company commences full-ing Hong Kong groups, Company of China; New scale operations.

NSURANCE company bas each with extensive insurance Zealand Insurance Company: ormed here by a group of interests, and one of the world's Nippon Fire and Marine international insurers largest insurance and reinsur- Insurance Company of Japan; ance brokers and underwriters, and Vesta Insurance Company

managing director of Alexander Other sharebolders in the concern are expected ta include: Assurances Generales de France; the Chubb Corporation of the company will bave an The Company will be the Compan

cotts Stores deficit increases

OUR JOHANNESBURG CORRESPONDENT

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Europe however, most U.S. brokerage firms continue to charge the 1975 Y.S.E. minimum commissions, while brokerage costs with European

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2,000 (\$559,000) pre-tax 2,000 (\$559,000) pre-tax Scotts shrvival has been same overstated, and Mr. Des Scotts, it in the year to February 28 tioned by a consortium of banks in R3.3m profit for the prewho have agreed, subject to more conservative stock accounting will be followed in future.

Of compared with R1.5m, will continue to fund the chain. Included in these conditions are sed to R1.5m against a the requirements that the chain and the need to keep pace with the sed to Rl.5m against a the requirements that the chain profit for 1977-78.

discounting and selling from cash flow. rations, and goodwill writof R1.4m compared with

nks tend to be even higher.

ured for \$100,000.

est clients save as much as 80% from these rates

'S STORES, the Durban- pany has paid no dividend. Last previous years. To this extent. Scotts survival has been sauc-

especially since turnover meet part of these requirements may be year increased from Scotts has repaid R3m in born to R80.8m. The results rowings, mainly from the sale of Sin nt. include extraordinary assets. The group is also comarising out of the restruc- mitted to further repayments

Continuing operations re-ported a profit down from R2.1m to R928,000 for the year to s of R788,000. February because stocks were ause of the losses the com- not sufficiently depreciated in

overstated, and Mr. Des Scotts,

profit for 1977-78.

cut its level of borrowings and losses were highar than make no further acquisitions clothing market, but be is coned following a R858,000 until the financial ratios are a profit, and that a dividend may be possible in the following

> Since tha troubles at Scotts became apparent in the 1978-79 financial year, the share price has fallen from 505 cents to the current 100 cents compared with a net asset value of 306 cents. The bottom end of the market which Scotts serves does not have the same potential for ecovery as the upper end, particularly in view of the recent food price increases and impending fuel price rises.

Setback at Pan-Electric

By Our Singapore Correspondent

GROUP POST-TAX profit at Pan-Electric Industries fell by 12 per cent to S\$4.72m (US\$ 2.14m) for the year ended December,

Part of the decline was due to the 70 per cent increase in its tax charge to S\$1.38m as pretax profit fell only by 1.8 per cent to \$\$6.1m.

However, the group—which is largely involved in the manufacture of electrical appllances, marine salvaging, shipbuflding and chartering—appeared to have made up somewbat for the poor performance in the first half, when it managed to record

The group attributed the first half performance to under-utilisation of its commercial munerative charter refes as well as unprofitable shipyard opera-

Pan-Electric has decided to halve its gross dividend to 10 per cent to conserve share-holders funds as capital investments, which it said, bave increased substantially over the

This announcement appears as a matter of record only.



Republic of Iceland

U.S. \$50,000,000

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Mitsui Finance Europe Limited/The Mitsui Bank, Limited

Scandinavian Bank Limited

Banque Canadienne Nationale (Bahamas) Limited

Crédit Commercial de France

Crédit Lyonnais The Mitsubishi Trust and Banking Corporation

The Sumitomo Bank, Limited

Agent Bank **Hambros Bank Limited**

June 1979

Sasebo HI forecasts recovery as losses rise

TOKYO—Sasebo Heavy Indusbas announced increased net losses of Y18.30bn (\$82.69m) in the year ended March 31 com-pared with a previous net loss of Y1.16bn.

Sales dropped 37.7 per cent to Y49.472bn from the preceding year's Y79.44bn

The company, however, expects a net profit of Y1.5bn in the current year ending March

Sasebo attributed the sbarp decline in sales and profit to foreign exchange losses and the continuing worldwide business slump. The company paid a total of Y6bn to 1.681 workers who volunteered to retire to help Sasebo ride out the reces-

Ship sales totalled Y22.60bn, down 57 per cent from the previous year's Y52.89bn. The building of new ships accounts for 46 per cent of Sasebo's total sales. Ship repair work representing 19 per cent of the company's business, amounted to Y9.393bn, compared with compared with Y11.398bn in tha preceding

Sales of machinery declined per cent to Y8.24bm. The foreign exchange loss

will be slashed in view of the recent decline of the yen against the dollar. The expected Y1.5bn profit is based on an exchange rate of between Y200 and Y210 to the dollar.

JAPANESE BANKING

National bond fall hits profits

BY RICHARD C. HANSON IN TOKYO

JAPANESE CITY banks cent to Y31.3bn. Its net profit the largely faced lower operating was up 10.6 per cent to Y15.7bn. national profit income and the control of the contro profits in the balf-year to the medium - sized March 31 as a result of losses Japanese shiphuilding company, on National hond holdings and tighter margins on loans. While for the most part the hanks showed some increase in net profit in the latest term, they are forecasting a sbarp turn downward during the

current half year. The negative margin between lending income and deposit costs which became evident during the two prior half-year periods dissappeared, but the banks suffered severely from a collapse in the price of long-term National bonds. Loan demand at home picked up moderately, but it appears that it has not kept pace with the increase in deposits.

Dai-Icbi Kangyo Bank, the largest in terms of deposits saw its gross income rise 8.47 per cent to Y393.2bn (\$1.8bn) but its operating profit dipped 5.7 per cent to Y32.34bn (\$147m). Net profit increased 9.9 per cent to Y15.02bn, but the bank expects to show a decline during the present term to Y12.0bn.

Dai-Ichi bad a loss of Y11bn on National bond holdings (which account for more than 50 per cent of all its securities boldings), compared with a loss of Y4bn in the prior term. Its loans were up 6.3 per cent, but deposits gained 8.4 per cent.

Sumitomo Bank was one of the banks to show an increase In operating profit, of 4.7 per

national bond issues, which the Gross income was up 12.4 per cent to Y346.4bn. Sumitomo Government has been forced to schedule, and which the hanks met with a sharp increase in its have to absorb. loss on National bonds, but off-set that in part by a transfer from reserves of Y3.7bn into

the profit column, and hy an increase in overseas bills discounting business, where interest rates were higher. Loans were up 6.6 per cent to Y7,286bn while deposits rose 8

per cent to Y9,234bn. Y237.36hn The bank sees loan demand in Japan as rising this year as the economy continues to deposit costs swung to the plus experience, but is concerned over side, to 0.277 per cent from a term.

Mitsui Bank bolstered its net profit in the half-year through special reserves, but showed a

drop in operating profit of 13 per cent to Y18.5bn.

It lost Y7.7bn on National bonds. Net profit was 11p slighty to Y8.79bn from Y8.37bn, Gross income rose 9 per cent to

On the positive side, the relationship of lending income to

Mitsubishi Bank showed

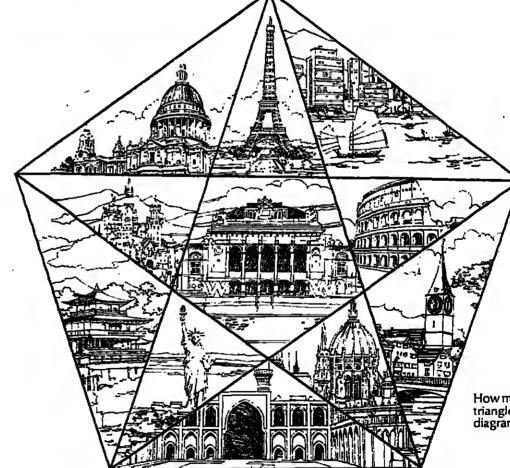
decline in operating profit of 12 per cent to Y32.7bn, and expects a fall to Y17bn this term. Net profit, which was up 10 per cent to Y16.3bu in the half-year to March, is expected to drop to Y13bn for the September half.

Sanwa Bank gained 8.8 per cent in gross income to Y338.57bn, but its operating profit fell 5.7 per cent to Y30.738bn. Net profit rose 10 per cent to Y14.67bn, but is expected to drop to Y11.5bn this

JAPANESE CITY BANK RESULTS

	GROSS INCOME			OPER	ATING P	ROFIT	NET PROFIT			
	Half-year to March	Change on previous half-year	Forecast change in current half-year	Half-year to March	Change on previous half-year	Forecast ehange in current half-year	Half-year to March	Change	Forecast change in current half-year	
	Ybn	%		Ybn	%	%	Ybn	%	%	
Dai-Ichi Kangyo	39.2	÷ 8.0	÷ 9.3	32.3	6.0	-38.0	15.0	-∤- 9.4	- 20.0	
Fujî	358.0	÷ 9.0	÷ 10.8	31.1	- 22.1	—35.7	16.4	+10.0	-21.0	
Sumitomo	342.4	÷11.6	÷ 9.5	34.7	÷ 1.5	÷33.8	15.7	-⊹ 10.6	-20.0	
Mitsubishi	339.3	+ 8.5	÷ 8.1	32.7	~12.0	-48.0	16.3	÷ 10.1	-20.0	
Sanwa	338.9	÷10.8	÷10.0	30.7	— 6.0	-35.0	14,7	J. 10.5	-21,0	
Tokai	244.6	÷ 63	÷10.0	19.8	— 15.0	-45.0	8.5	-i∙ 2.0	-23.6	
Mitsuī	237.4	÷ 9.0	÷11.0	18.5	-13.0	-40.0	8.8	·· 5.0	- 25.0	
Daiwa	146.7	— 2.4	+ 10.4	12.5	-38.0	-44.0	6.1	-i- 8.2	18.0	
Kyowa	160.6	÷ 5.0	÷ 9.5	11.0	+ 8.0	-23.0	5.1	- 5.6	-120	
Taiyo Kobe	233.9	8.8 ÷	÷ 9.9	13.4	-22.1	-36.6	6.5	÷ 3.0	- 23.0	
Saitama	120.9	+ 6.5	÷ 7.5	7.0	—21.8	—39.0	4.6	2.2	-20.0	

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June 4, 1975, in some cases lates are nominal. Market rates are the countries listed is officially controlled and rice rates shown should not be except where they are shown to be taken as being soplicable to any par-

(9as) basic rate: (bg) buying rate: (8k) bankers' rate; (cm) commarcial rate; (cn) conventible rate: [fn) 5-actisf rate; [axC) exchanga certificate an authorised dealer.

Abbrevistions: (A) apcroximate rate, no direct quotation available; [F) free rate; [P) based on U.S. dollar garinos and going eterling/dollar rate; (f) scheduled Territories; (T) raurist rate; (b) Scheduled Territories; (T) raurist rate; (appl. scheduled Territories; (T) raurist rate; (appl. salling rate.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE 11F £ STERLING	PLACE AND LOCAL UNIT	E STERLING
Afghanistan Afghani	91.00	Creentand Danish Kroner	11,4775	Peggles D. Repub.	
Albania Lek	10.199	Crenada 🗗 E, Garibbean 5	B.S152	of Yemon 181 S. Yemen Binar	FA10.7095
Albania Lek Algeria Dinar	7.9557 9,1625	Cuadatouge Local Frenc	9.1825 8.0778	PoruSol	exciA-455,21
Andorra French Franc Sganish Peseta	137.22	Guatem ala	2,0778	Philippino Peso	: 13,332
Angola Kwanza	50.118	Cuides Recublic Silv	40.53	Pitcaim lelands (S) '£ Sterling i New Zealand S	1.0858
Antiqua S E. Carıbbean S	5,€152	Cuinea Biesau Cuyanese \$	72.243	PolandZioty	(Cm 63,38
Argentina Ar, Peso Free Rate	2,629	Cuyana (Si, Cuyanese \$	5.2084		(T) \$5,38
Australia IS: Australian S	1.8783 29.205	Haiti Courd	! 10.39	Portugal Portugu'se Escudo	103,875 103,875
Austria	103,875	Honduras Repub.,. Lemoira	4.17	Port Timor Timor Escudo Principe Islands Portugu'se Escudo	103.875
		Nong Kono (St N.K. 5	10.61	Puerto Rico U.S. 9	2.0778
Bahamas (S) Ba Dollar	2.0778	Hungary Forint	rfcom1 73.S1	Qatar (Sj Qatar Ryal	7.81
Bangladesh S Taka	32.87 (39) 0.797		(T)(nc1 42.06	Reunion Ilo do Ia French Franc	9.1835
Bahrain (S) Dinar Balearic Islea Bga. Peseta	137.20	Icoland (S) 1. Krona	S99.5 18.825	Rhodoala Rhodesian S	1.4409
Barbados (\$1 Babados \$:1	4,1556	India 18' tnd. Rupes Indonasia Rugiah	1.398	Romania Leu	: Cm·9.07
Belgium 8. Frane	··cm· 65.95	Iran Riel	144.0		iic c T24.35
	ini 65,90	Iraqiraq Diner Irish RepublicikiIrish £	0.6129	Rwanda Rwanda Franc	192.25
Belize 5 5	4.155ö 459 :	Irish Republiciki Irish £	1.0585	St. Christopher (St E. Caribbean S	S.S152
Berlin C.F.A. Franc Bormuda 15 Eda S	8.0778	Israel 1sreel €	50.1193 1.775	St. Neicna St. Neiena £ St. Lucia E. Caribbean \$	1.0 5.\$152
Moutain ingian Kupaa	16.825 ·se)	Italy Lira Ivory Coast C.F.A. Franc	45913	St. Pierre C.F.A Franc	4591:
Bolivia Bolivian Peso Botswana Si Pula	41.556		•	St. Plerre	5.6152
Botswana Si Pula	1.7207	Jamaice (S Jamaica Dollar	3,6154	Salvador El, Colon	4.58
6razil Cruzeiro ;: Brit. Virgin lelesi9: U.S. <	53.15 2.0778	Japan Yon	458.75	Samoa American U.S. S	2.0778
Brunei (S) Brunel 9	4.5785	Jordan Bi Jordan Binar	(0.633(sg)	San Marino Italian Lire	1,775
Bulgaria Lev	1,7930	Kampuchea Riel	2495.4	Sao Tome Portugese Escudo Saudi Arabia Ryal	103.875 7.06
Burma Kvat	13.9775	Kenya (Si, Kenya Shiiling	15.815	Senegal C.F.A. Franc	459: _A
Gurundi Burundi Franc	184.485	Korea (Sth Won	1,77(µ) 1005.7	Savohelies 9. Rupea	15.33
	45914	Kuwait iSthi Kuwait Dina	0.579	Srarra Leonar5) Leono	2.2253
Cameroon Repub's C.F.A. Franc	2.4423			Singaporo 15: Singapore \$	4.5785
Canada Canadian S Canery Islands Spanielt Peseta	137.22	Laos Kip Pot Po	631.1	Solomon Islande'Si Solomon Is, 8	1.8829
Capa Verde Isle Capo V. Escudo	74.8605	Lebanon Lebanese £	6.704	Somall Republic Somalf Shilling	(A:13,079 1.755
Caymen lelands (3) Cay. Is. 8	1.7315	Lesotho S. African Rand	1.755 2.0778	South West African	1.755
Cent. African Rep. C.F.A. France	45914	Liberian 5	0.6151	Territorios (SJ, 8. A. Rand	1.755
Chad C.F.A. Frane	459:4	Libye Libyan Binar Liechtonstoln 5wiss Franc	5.50125	Spain Peseta	137.29
Chile C. Peso	(6k: 75.78 3.2825	Luxembourg Lux Franc	63.93	Spanish ports in	
China	IT. 88 35			North Africa Pasete	157.22
Comoro Islands C.F.A. Franc	4591	Macao	11.055 103.875	Sri Janka 151. S. L. Runee	32,2145
Congo (Braz aville) C.F.A. Franc.	45917	Madeira	459ra	Sudan Republic Sudan £	(A)0.8311 .
Costa Rica Colon	17.859	l Malewi 191. Kwacha	1.7225	burinam 5. Cutider	3.7103
Cuba	1.4876	Malaysia (St Ringgit	4.5170	Swaziland ISI ., Lijangoni	1.755 9.1025
Cyprus (Si Cyprus ±	0,7550	i Maldiva islands iši Mai Riinaa 📑 🥻	8.t6	6wedon	3.59125
Czechoelovakia Koruna	(com: 11.15 n c 22.18	Mali Republic Mali Franc	918.25	Syrie Syria £	(A)8,155
	(T)10.70	Marca (8) Maltese £	0.7675		••
	1t.4775	Martin que Local Franc Mauritanie Ouguiya :	9.1895 98.243	Taiwan New Taiwan	(P:74.8
nenmerk Danish Krone	345.0	Mauritiva (St M. Rupce	18.66	Tanzania 15 Tan. Shilling Thailand Baht	16.95 41.96
Dominica (S) E. Carlbbean S	5.St52	Mexico Mexican Paso	47.46	Togo Republic C.F.A. France	459!;
Dominica (\$) E. Caribbean S Bominican Repub. Dominican Peso	2.0778	Miquolon C.F.A. Franc	4591g	Togo Republic C.F.A. Franc Tonga Islands (S) Pa'anga	1.8828
	(0) 51.67	Monaco . French Franc	9.1825	Trinidad (9) Trinidad & Tob' S	4.9867
Ecuador Bucre	F 59.31	Mongolia Tugrik	[11]5.867(1)	Tunisia	0.842(39)
Egypt Egyptian £		Monserrat E. Caribbean \$	5.6158	Turkey Turkish Lire	50,10
Equatorial Cuinea, Pesete	137,28	Morocco Dirham Mozambique Moz. Escudo	8.18 sg) 65.096	Turks & Caicos U.S. 5	2.0778
Ethlopia Ethlopian Birr	(Pr 4.3060	WIDE STREET	00.030	Tuvalu Australian 8	1.8763
		Nauru Australian Doller	1.8763	Uganda ISI Uganda Shilling	n.e.
Faikland Islands (6 Faikland Is. £	1.0	Nauru	84.95	United States U.S. Dollar	2.0778
Fare Islands Danish Krone	11,4775 1,7514	Notharlands Cuildar NetherlandAntilles Antillian Culldor	4.350	Uruguay Uruguay Peso	(cm·16.09
Fiji Islands Fiji S Finland Markka	8.3175	NethorlandAntillee Antillian Culldor	3,7193	Utd. Arab Emirates U.A.E. Dirham	7.97
Francs French Franc	9.1825	New Nobrides Franc.	148,404	U.S.S.R.: Rouble	1.3685
Francs French Franc FrenchC'tym Af* C.F.A. Franc	45911	New Zealand (St., N. Z. Dollar	1.8763 1.8868	Upper Volta C.F.A. Franc	45913
French Cuiang Local Franc	9,1825	Nicaragua Cordoba	80.77	Vatican ltalian Lire	1755
French Pacific Is., C.F.P. Franc	166.95	Niger Republic C. F. A. Franc	459 IR	Venezuela Bolivar	8.92
Gabon C.F.A. Franc	4591a	Nigeria (S) Naire	1.2610(eg)	Vietnam Dong	·· 0· 4.5296
Combia (Si Dalasi	4.0	Norway Norway Krone	10.77125		i/T/4.070(:)
Cermany (East) Oetmark	3,9725	Ilman 9ul'atc of (6: Riai Ilmani	0.717	Virgin lelands U.S. U.S. Dollar	2.0778
Germany (West) Beutsche Mark	3.9725			Western Samoa 15) Samoan Tala	1.5165
Chana (S) Cedi Cibreltar (K) Cibraltar £	5,69 (ag)	Pakistan Pakistan Rupee	20.50	Yemen Ryal	9.39·sg1
Cilbert Islands Australian S	1.8763	Panama Balboa Papua N. CuinealS, Kina	2.0778 1.4987	Yugoslavia New Y Dinar	39.7780
Greeco Brachma	77,702	Paraguay	259,27	Zaire Rapublio Zaire	3,2757
		- wag-ay - minim. Opalan	P42,41	Zambia Kwacha	1.655

"That part of the French community in Africa formerly French Weet Africa or French Equatorial Africa, †Rupees per pound, †General rates of oil and fron exports 87.268. Based on grass rates against Russian rouble. **Rete is the transfer market [cantrolled). ††Rare is now based on 2 Sarbados E to the dollar. †Now one official rate. (U) Unified Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

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Canadian \$ weaker

most European centres closed for a holiday. News of a substantial drop in Canada's official reserves to U.S.\$4.05bo in May, compared with U.S.\$5.14bn for April was seen as the main reason behind the decline, and highlights the recent attempts by the Caoadian authorities to sup-port the dollar. There was also a good deal of uncertainty surrounding Canada's overall trade surplus for 1979, with April's surplus of only Cs12m, together with a downward revision of earlier mooths' figures, causing some apprehension in the mar-

At one point the Canadian currency fell to \$5.02 U.S. cents but recovered after support by the authorities to close at \$5.09 U.S. cents, soarply weaker than Friday's level of \$5.73 U.S. ccots. On Bank of Eogland figures, its provided against the D-mark to DM 1.9165 and to SwFr 1.7290 from DM 1.9165 and to SwFr 1.7290 from SwFr 1.7345 to leave the swiss franc.

TOKYO — The dollar lost ground against the Japanose year trading against the D-mark to DM 1.9165 and to leave the swiss franc. index fell from \$1.6 to \$0.9.

Sterling showed a firmer ten-dency in majoly commercial trading and its trade weighted index remained steady at all three calculations at 67.7, up from Friday's close of 67.6.

SwFr 1.7330 against the Swiss and swap iransactions account-franc. The U.S. upit was also ing for \$750m.

The Canadian dollar fell weaker against the yen or specusharply in a restricted foreign according market yesterday, with Japanese exports. The dollar fell worker against the yen or specusion over a possible revival in Japanese exports. The dollar fell to Y219; from Y221.2. On a trade closed for a holiday. News of a weighted basis, using Baok of substantial drop in Canada's officery.

England figures, its index fell to \$6.9 from \$7.0.

MILAN—Trading was virtually at a standstill yesterday, with most of Europe's foreigo exchange centres closed for a holiday. The dollar was quoted at L854.4S, slightly down from Friday's level of L854.95, while sterling remained at L1,775.1. NEW YORK-With business at a very low level, the dollar showed little movement in early trading, and was quoted at \$2.0780 against sterling, nochaoged from Friday. The

in quiet trading to close at Y220.325, compared with Friday's close of Y221.40. After opening at Y221.50, the U.S. unit moved to Y221.65 before

index remained steady at all three calculations at 67.7, up from Friday's close of 67.6. Against the dollar it opened at 2.0750-2.0760 and touched \$2.0793 at one point hefore closing at 32.0773-2.0783, a rise of 33 points.

The dollar was slightly weaker overall and closed at DM 1.9115 against DM 1.9160 in terms of the spot market totalled \$638m, with forward trading at \$137m, with forward trading at \$137m.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU cantral rates	Currency amounts egamst ECU June 1	trom central rate	o, change adjusted for divergence	Divergence limit *.
Belgian Franc	39,4582	40 5319	+2.72	÷191 .	±1.53
Oamish Krone .	7.08592	7.27646	+2.59	+ 1.78	±1.635
German 12-Mark	2.51064	2.52182	+0,44	-0.48	±1.1325
French Franc	5.79831	5.83380	÷ 0.51	-0.30	±1.35
Qutch Guilder	2.72077	2.76619	+1.67	'+0+76	±1,5075
Irreh Punt	0.662633	0.657660	+0.76	-0,15	士1.665
Italian Lira	1145.15	1126.42	-1.89	~ 1.89	±4.0725
		CU, rherefore djustment cal			

THE POUND SPOT AND FORWARD

lune 4	Day'e agraed	Close	One month	_ p.z.	Three
J.S.	2 0750-2.0795	2.0773-2.0783	0.16-0.09c pm	0.81	O.69-0.59 pm
a.o. Sanada	2,4225-2,4450	2.4417-2.4427	0.14-0.04c pM	0.44	U 34.0 24 am
verhind.	4.34-4.35	4.34 -4.35	15-4c pm	3.50	37-2, 000
Belgium	63.80-64.05	63 88-63.98	22-12c ore	3.14	45-35 pm
)enmark	71.467,-11.50	11,47-71,481	gar-2 ore dis	-1.06	1 pm-14die
retand	1 0625-1.0595	1.0555-1.0576	5-15p dis	-1.34	50-60 dis
V. Ger.	3.96-3.99	3.96%-3.97%	23-Tapt pm	6.42	6 a - 6 a para
ortugal	T03.25-104.25	103,75-104.00	50-100c die	~5.25	150-280 die
ortugui Soain	138.90-137-35	137.17-137.27	100-50c om	8.70	100 50 pm
taly	1,772-1,778	1,7744-1.775	Lirepm - 1 1.1 due	_v.g	212-41, des
Orway	10.75-10.79	10.764 -10.77	512-12 one Om		9-7 pm ·
rance	9.17 - 9.21	5.174-9.184	'se om -se dis	0.10	pm - dla
wedan	9.09-9.12	9.091,-9.17	24-5 ore on	1.398	\$-4 pm
20AU	455-460	4584-457%	2.70-2.45y pm	5.70	7 45-7.20 pm
Ugir:8	29.15-29.75	29.27-29.32	10 des burber	2.00	40-30 pm
Witz.	3.58-3.62	3.58%-3.58%	31, 21c pm	2.01	34-31, Dro
Rol	gium rane is l	Dr Convertible	Trenca Financia 1.10c pm; 12:mo	II IIBNE	65.85.45.94

THE DOLLAR SPOT AND FORWARD

nay'e	Clese	One month	P.e.	Three munths
2.0750-2.0795	2.0773-2.0783		3.20	0.53-0.59 pm 2.00-1.10 pm
95.18-85.54	85.15-85.18	0. 05-0.03 e pm	U.30	0.19-0 15 pm. 0.83-0.73 pm
30.75-30 90	30.781 - 30.90	6.2-S.2c pm	2.32	TO-St mate
5.5220-5.5330 7 9127-1.9180	7 9170-1.9190	0.88-0.78pf pm	3.19	1 50-2 00die . 2 17-2 07 pm
49.80-50.05	49.95-50 05 66 01.66 DS	37-53c d(e 35-25c em	- 6 45	16-0 mm
853,95-854.65	953.95-854.45	0.75-1.25 line dis	-1 40 1 27	3.50-6.25dla -
4,4275-4,4325	4,4300-4,4325	0.75-0 35c dis		
4.3790-4.3900	219 60-219-80	1.10-1.00y pm	2:75	1.10-0.90 pm 2.90-2.90 pm
14.120-14 125 1.7286-1.7335	14.120-14 125 1.7325-1.7335	5.80-5.30 ore pro 1.30-1.25c pm		14 5-13 0 pm. 3.70-3.65 gm
	s pread 2.0750-2.0795 1.9650-1.9720 2.979 2.0970 30.75-30 90 5.5220-5.5330 1.9127-1.9180 48.80-50.05 66.00-66.05 5.1825-5.1920 4.4276-4.4325 4.3790-4.3900 219,60-220.00	a pread Cless 2.0750-2.0795 2.0773-2.0783 1.9650-1.9720 95.18-85.54 2.0920-2.0970 30.78-30.90 5.5220-5.5330 5.5220-5.5330 1.9127-1.9180 1970-1.9180	a pread Clese Une month 2 0750-2 0795 2 0777-2 0783 0 19-0 09c pm 1,9650-1,9720 1,9670-1,9770 0 55-8 40c pm 20,920-2,0970 2 19-20 2 0940 0.45-0.35c pm 30,78-30 90 30,78-30 90 0.45-0.35c pm 30,78-30 90 0.45-0.35c pm 30,78-30 90 0.45-0.35c pm 30,78-1-20 pm 37-52a die 37-52-50 pm 4.279-4.4325 4.4306 4.3250 0.75-0.35 ord pm 31,960-220.00 219 80-219.80 0.85-0.45 ord pm 31,120.14 125 14 120-14 125 5.80-5.30 ord pm	a prisad Clese Una morth 7.2. 2.0750-2.0795 2.0773-2.0783 0.19-0.09c pm 0.81 1.9650-1.9720 1.9670-1.9720 0.55-8.40c pm 0.50 95.18-85.54 25.95-85.18 0.05-0.03c pm 0.55 2.0920-2.0990 0.45-0.35c pm 2.29 30.75-30 30 30.781-30.90 6.25-5.2c pm 2.29 30.75-30 55.530 5.5315-5.5330 0.25-0.75 are die -1.08 95.920-5.530 5.5315-5.5330 0.25-0.75 are die -1.08 95.920-5.030 49.95-50 05 95.395-854.65 953.95-854.45 0.75-0.35 are pm 1.27 95.1825-5.1920 5.1905-5.1920 0.75-0.35 are pm 1.27 4.376-4.4325 4.3300 4.3325 0.75-0.35 are pm 1.27 4.3760-8.3900 4.3866-4.3900 0.65-0.45 are pm 1.50 2719.60-220.00 279 60-219.80 1.10-1.00y pm 5.73

CURRENCY RATES	CURRENCY MOVEMENT				
Bank Special European May 31 rate Drawing Currency % Rights Unit	June 4	Bank 6f England Index	Morgan Guaram changes		
Sterling	Starling U.S. dollar. Canadian dollar. Austrian schilling. Belgian franc Ianieh kronor Deutsche Mark Swiss franc Cuilder Franch franc Lira Yon	\$7.7 66.9 80.9 144.6 119.2 119.4 149.3 195.4 129.9 98.1 54.5	-56.0 -6.7 -17.1 +18.2 +19.4 -61.5 +30.5 +18.7 -7.1 -48.9 +30.8		

OTHER MARKETS

June 4	2	*	<u> </u>	Note Rates
Argentina Pose Austratio Bollar Brazii Gruzeiro Finland Markka Creek Brachma Rong Kong Bollar Kuwast Dinar ikB Luxembourg Fre Malayea Dollar New Zealand Bir. Saudi Arab. Riyal Bingapore Bollar Sth. African Rand	52.65 53.65 8.31 8.321- 76.576-78.428 10.60 10.62 137-151 0.574-0 584 63.88 63.89 4.5120 4.6220 1.8838 1.9898 7.01-7.11	. 0.9020 0.9040 86.35.25.85 4.0040 4.0070 1.38.85.37.76 5.1080-5.1080 72.75 0.8788-0.2789 1.005.2.2016 0.8545.0.9575 3.404-3.4008 2.2040-2.8050	Austria Beiglum Denmark France Gormany Italy Japan Netherlande Norway Portugal Spain Switzerland United States Yugoelava	10 78-10.83 100-103 1354-1384 3.55-5.68

EXCHANGE CROSS RATES

June 4	PoundSterling!	U.S. Dollar	Deutschem'	d Japan'so Yen	FrenchFranc	Swiss France	Dutch Gulld'r	Italien Lire	Canada Dolla	r Belgian Fran
Pound Sterling U.S. Dollar	0.481	2.078	3.973 1.912	456.8 219.8	9.183 4.419	3.591 1.728	4.350 2.094	1775. 854 8	2.448 1.175	63.98 30.77
Deutschemark Japanese Yen 1.000	0.252 2.189	0.523 4.549	8.697	115.0 1000.	2 313 20.10	0.904 7.863	1.095 9.524	446 8 3686,	0.616 5.347	16.09 140,0
French Franc 10 Swiss Franc	1 089 0.278	2.263 0.579	4,326 1.106	497.4 127.2	10. 2.557	3.911	4.737 1.211	1933	2,660 -9.680	59.62 17.80
Dutch Cullder Italian Lira 1,000	0,230 0.563	0.478 1.171	0.913 2.238	105.0 257.3	2 111 5.173	0.826 2.023	2.451	408.0 1000.	0.561 1.376	14.70 56.02
Canadian Dollar Belgian Franc 100	0.409 1.564	0.851 3.250	1.627 S.214	187.0 714.5	3.760 14.35	1.470 5.617	1.781	726.8 2776.	3.820	26.t8 100.

EURO-CURRENCY INTEREST RATES

The following naminal rates were quoted for London dallar certificares of deposit; one month 10.30-10.40 per cent; three months 10.35-10.45 per cent; anonths 10.40-10.50 per cent; one year 10.20-10.30 per cent.

١	June 4	Sterling	U.9. Dollar	Dollar	Dutch Cullder	Swiss Franc	West Cerman Mark	French Franc	Italian Lira	-Asian S	Japanese Ye
	tShort term,	∏.#. 0.#. ∏.#. 0.#. U.b.	10.1014 1014-1058 1078-1118 10-2-1014 1073-1014 1058-1058	912-1012 812-1012 1011-1112 1011-1112 1011-1112 1012-1013	736-758 758-758 8,3-8,4 8,3-8,4 814-912 914-912	11s-114 11s-114 11s-114 2-21s 215-215 51s-514	514-5% 514-5% 6-6-6-6-6-6-7-718	\$.912 8.912 1112-1154 1112-1157 1156-1178 1156-18	9-10 10-11 11-12 11-151s 184-1314 153 ₄ -1534	1014-1036 10:4-10:2 10:2-10:4 10:4-10:4 10:4-10:2	5.5.5 33.5 44.5.4 5.2.5 5.1.51 6.4.6

GOLD

Little change

showed very little io the Loodon bullion market yesterday in very sub-dued trading. It closed at \$274;-\$275;, a fall of just \$1 sn ounce, from Friday's close. The metal opened at \$275-275; and was

Gold Bullion Ifino ouncel

Sovereigns 1241 (2-481) [£412-421]
Gold Colns, Internetionally
Krugerrand. S281-983 [£185-287]
Signature (254-36) [£137-138]
Sovereigns (£34-36) [£137-138]
Sovereigns (£44-45) [£341-351]
S20 Eagles. \$298-233 [£341-34]
\$10 Eagles. \$298-233 [£39-244]
\$5 Eagles... \$158-153 [169-174]

fixed lower during the morning at \$273.60. By the effernoon fix-iog it had declined to \$272.90 before coming back to its closing level.
The Krugerrand's premium

over its gold cooteot carrowed to 6.50 per cent from 6.94 per cent for domestic delivery and to 2.50 per cent from 3.78 per cent in international dealings. MOKEY RATES

NEW YORK Prime Rare	71.75 10.3125 8.54 9.44
GERMANY Discount Rate Overnight Rate Dis month Thise months Six months	4 6,60 5,90 6,50 6,90
FRANCE Discount Rate	9.5 7.875 8.3125 8.6875 8.0925
APAN Orscount Rate	4,25 5.25

UK MONEY MARKET

Moderate assistance

Bank of Eogland Minimum Lending Rate 12 per cent (since April S, 1979) Day-to-day credit was in short Day-to-day credit was in short supply to the London mooey market yesterday, and the authorities gave a moderate amount of assistance by buying s moderate number of Treasury bills from the Discount bouses and a small amount of local authority bills.

Discoupt houses paid 11,-11?

LONDON MONEY RATES

Baoks brought forward small balances were surplus balances. Government 111 per cent. balances were taken at arou dishursements exceeded revenue In the interbank market over payments to the Exchequer, and there was a small rise io the oight loans opened at 113-11 per cent and traded arow 113-11; per cent for the mapart. Rates eased to 103-11 p note circulatioo. These factors outweighed the very large payment of the balance due on 11 per cent Exchequer 1991.

cent io the afternoon, an closed at 124-13 per cent. per ceof for secured cell losns Rates in the table in the early part, and closing nominal in some cases. Rates in the table below a

1134 1154 1518 121.

Local authority and finance houses sevan days' notice others sevan days' fixed. "Long-rarm local authority mortgaters nominally three years 12:12% per cent; lour years 12:12% per cent; five years 12:2:12% per cent. OBank both rous table are buying rates for prime paper. Buying rate for four-month bank bills 11% per cent. Obened the trade by 11% per cent.

Approximers selling rate for one-month Treasury bills 11% per cent; rwo-month 11*11.11% per cent; rule-month 11*12.11% per cent. Approximate selling rate for one-month bank bills 11%-11*30 per cent; rwo-month 11*30 per cent; rule-month 11*30 per cent; rule-

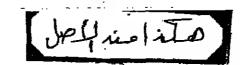
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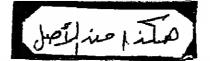
The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

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May 18 May 11 Year ago (appre

High Low High

116.69 107.08 134.64 3.53 79.11 (27.2-111.115) (30-6.35 105.54 96.13 175.65 4.6 19.4: (27.2-111.1-5) (13.6.35

5.01

9.29

8.51

Low

219-15-0:11 225-19 (2:1)

1515.8 (21)

87.81 111.45 93.44 .2 21 112.51 358.11 401 54 366.48 16.21 657.6 313.8 5.23.1 284.6 .2.31 (27)

FRIDAY'S ACTIVE STOCKS

Juna 1 May 31 May 40

May 16 : Year ago (above

5,38

7.98

9.18

tssues Tradod 1,881 1,889 1,880 1,88

High

NEW YORK -DOW JONES

Day's high 826.14 low 817.74

Ind. day, viold &

STANDARD AND POORS

Ind. P.E Ratio

MONTREAL

Lon Cov. Bond Yield

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Australia (* 591.05 551.68 537.68 549.72

(15-1) (1

TORONTO Composite

JOHANNESBURG

56.0455.9956.0156.53 58.18 53.88

H'mo 8'nds 68.39 84.45 84.47 04.89 84.11 83.94

Transport., 233, 18 255, 15 232,62 234,27 284,71 255,48

34,590 30,380 29,420 27,160 25,740 251740

Moy 30

Indust'is ... 110,25 110.19 110,25 111.55 111,57 111,27

Composite 29,17 39 09 29,11 100 05 180,22 99,95

. 233.10 255.15 252.52 234.27 254.71 255.40 110:41

May 25

ė.O1

May 30

5.38

9.38

8.98

High : Low

5.96

May 23 :

6.32

8.45

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25 9.80 258 93 255.54 256.69 250.80 (1)64 250.78 257.38 267.18 257.45 258.73 (1.6)

1527.6 1619.7 1515.6 1518.5 1527.6 (1.6.

290,5 295.4 285.4 29 5. 318,6 220.1 5 0.0 (2<u>.5</u>5

Wall St. mixed again in slow early trading

INVESTMENT DÖLLAR PREMIUM

\$2.60 to £1—511% (511%). Effective \$2.0778—21%, 1201%). THERE WAS again no docided trend on Wall Street yestorday morning. Stocks continued to move irregularly in slow trading as investors worried about the outlook for interest rates and the economy and prospects for continued short supplies ut gasnline.

Some Blue Chips managed to on bargain hunting. although the Dow Jones Industrial Average was a more 0.26 up at \$21.47 at 1 nm. The NYSE All Common Index slipped 5 cents to \$55.99, while declining issues narrowly led gains by a six-to-five ratio Trading volume contracted to 15.32m shares from last Friday's 1 pm level of

The heed of a major U.S. oil commany said the price of gasoline would have to rice 50 cents a gailan in further domestic oil exploration attractive.

in yesterday's early Treasury Secretary Blumenthal said the Administratinn plans to revise and update "Its ware/price guidelines. Imperial Oil "A" 81 to \$291, Sterling Drug led the actives Canadian Superior Oil 1; to

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Bect'n Oick'nson 525; Bell & Howell...... 17 Bendix 385;

Rosing 58%

8rascan 'A'...... 2014 21 8rietol Myers.... 3212 5314

241.

23

48:2 68:3 34:6 27:1 13:4 27 10:1

Brit. Pet AOR ...

Brockway Class. 161, Brunswick 131, Bucyrus Erle 181,

Sulcyrus Erie 1815
Sulcyrus Watch..... 1815
Surlington Hthm. 1911
Jaurrough 6821
Campbell Soup 3312
Canadian Pacitic 2614

Canao an Pacitic 2614
Canal Randelph 14
Carnation ... 27
Carrier & Gener 1074
Carter Hawloy
Cateroller Tract 5514
G85 ... 4418
Golanese Coron 4114
Contral & 5.W... 1534

Gertaintoed...... 1514 Gesans Aircraft... 15... Champion Inter... 2412 Gh'ee Manhattan 35% Chemical 8k, NY 3814 Choesbigh Peno 21... Chicasic System... 28... Chicago Bridge ... 47% Ghrysier 81.

hicago Bridge . hrysler . . ne. Milacron.

Gine. Milacron.
Cilicoro
Gitios Service....
City Invosting...
Glevelano Gilli
CocaCola

Combustion Eq. G'M wth E0.son Comm. Satellite

GomputerSc:enc

Conn Life Ins . . .

ranilf Inti

A number of Oll issues im-proved, Standard Oll of Indiana. prived Standard off of Indiana, whose chairman enmmented on the need for higher gasoline prices, gained 1 to \$45; Exxon put on 1 to \$49, white Charter Company, which recently accompany, which recently acquired Carey Energy, rose i to \$18\; in active trading. Mesa Petroleum advanced 1! to \$48\colon Phased oil price decoured began in the U.S. last Friday.

Bunker Ramos cased 1 to \$271. The Board bas rejected a pro-posal by Fairchild industries to acquire more Bunker Ranto shares and then morgo the two Rollance Electric, sought by

picked up : 10 S61. THE AMERICAN SE Market Value Index advanced a further 1.26 to 189.26 at 1 pm, although total falls held a slight edge over rises. Volume came to 2.35m shares, against last Friday's

Dome Polreieum topped the Amex actives list, adding ! ar Among other Oil issues, Ranger Oil cilmbed 17 to \$237.

Johne Menville .

Kaneb Services...

Kidde Walter..... Kimberley Clark

Kroger Co.....

Levi 9treuss Libby Ow. Ford.

Liggett Group... 334
Lilty (Eli)... 531
Litton Industries 271
Lockh'ed Aircrit. 191
Lone 9tar Ind sts 222
Long Isl'nd Ltd ... 154
Louissans Land ... 284
Lubrizol... 435
Lucky Stores ... 151
Macw R.H 561
Mirs, Hanever ... 331
Magge ... 391

Magce 29:1 Marathen Dil 71:3 Merine Midland, 15:1 Maranai Field.... 18

Mey Dept. Storec 2512

Mensanto 47 M4rgan J. P. 451s Motorola 44 MJrphy Oil.... 531z Hablaco 23

Hetional Сал

Net. Distillers.

47:8 | 4858 9714 | 2714

Control Data Gooper Indue

Corning Cless
GP_In t'rnation'l

G. E. & G......... 90% El Paso Not. Gas., 19 Eltra...... 27%

E.M.I. 214 Engelhard 5253

Florida Power .. 2914 Fluor 41-8

ithi. Flavour inti. Harvester . inti. Min & Chent inti. Multilloode..

Esmark

Hashro Industries rose 1: 10 S71, Kenei 1: 10 S13; RH Medical 1: 10 S13; and Fairmount Chemical S1 to SS1. Friendly Frost gained 1: 10 S71.

pany to an investor group and hend over control in the group.

A broad advance in Oil and pressure.

Gas issues featured 6rmer-inclined Canadian markets in active early dealings yesterday.

The Toronto Composite Index

Total August 1985 The Toronto Composite Index

Total August 1985 The Toronto Composite Index roso T.B further to 1.535.2 at roso 7.6 further to 1.535.2 at 1 rading volume in the further norm, while the Oils and Gas section was about 410m shares, index ninved aboad 60.7 th compared with 220m on the full-2,609.8. Golds advanced 29.1 to day session last Friday.

1.926.4, but Metals and Minerals Brokers said that such Blue Rollance Electric, sought by 1,926.4, but Metels and Minerals Exxon for a price of \$72 a share, shed 0.9 to 1,261.8.

declined 0.81 to 293.14.
Among Oil and Gas shares. Gulf Canada climbed 31 to C857, fors are concerned over the Shell Canada 11 in CS24), and recent oil price rises and an-Home Oil "A" 11 to CS64, Dome other possible increase in the Petroleum, the most active Official Discount Rato, and are Toronto issue on 141,207 sbares, refraining from maying shares

climbed 1: to CS47.

Dome Mines, which has holdings in Dome Petroleum, rose
CS1 in CS47.

Amang other last week, were lower on profit-CS1 in CS47. Among other last we Goldy, Campbell Red Lake added taking.

Royal Dutch..... 6752

Seleway Storas... St. Joe Minerals. 9t. Regic Paper... Santa Fe Inds

Saul Invect....... Saxon Inds...... Schiltz Brewing..

Sea Containers... 1914

Southern Co. . . 12% Southern Het Rea 34%

Southern Pacific 29 is Southern Railw'y 53 is

Southland ... 2514
Southland ... 2514
Southland ... 2514
Swit Banehares ... 223
Soerry Hutch ... 1315
Sporry Rand ... 29
StanOard Srand ... 253
Sto.Oil California ... 4514
Std. Oil Indiana ... 6315
Std. Oil Indiana ... 6315
Stauff Chemical ... 21
Sterling Orug ... 2014
StoragoTechnigy ... 2014
Studebaker Wor. 2456
Sun Co. ... 6028
Sundetrand ... 2316
Synlex ... 3458
Tandy Corpn ... 1918

Tandy Corpn ... 191s Technicolor 13 Tandy Corpn ... 191s 1912
Technicolor 13 13
Tektrenix ... 4954 48
Teledyne ... 115 16
Telex 434 459
Tenneco ... 53 3234

Tesor etr'leum 123s

Texas Eastern.... Texas Eastern.... Texas Inst m Texas Oil & Cas...

Texas Utilities.... Times Mirrer 3712
Times Mirrer ... 2832
Timken ... 5934
Trane ... 1933
Tran, America ... 17

TRW 34-4 20th ConturyFox 43-4

Unilever HV...... 58%

Union Corbide.... 3678 UnionGommerce 1058 Union Oil Calit... 6814 Union Pacilic.... 6658

White Con. Ino ... 255

91g 33% 934

30 12.5 281

1214

Searle (G.O.) ... Sears Rocbuck ..

SEDGO Shell Trenepert...

Singer Smith Inter. Smith Kline

list hut dipped 2 to \$191. McDon-nell Douglas, in second place, (North America) 1 to \$231. | at C\$23, but Pamour Porcu-fell \$3 to \$225. | Hashro Industries rose 12 to | Inco gained 1 to C\$25. | 11.700 workers in Sudhury. Ontario, have accepted a contract with the

Tokvo

After the good recovery in Saturday's half-day session, the market suffered a fresh retreat yesterday, with Blue Chips meeting the brunt of the sciling

Trading volume on the first

Us in 1,261.8.

Montreal, Papers gained tricals declined on a broad front to 161.50, but Banks in the face of renewed to 181.14 One broker added that inves-

Wiliam Co.... . Wacensin Elect..

CANADA

Abitibl Pager..... 1752 Agnico Eagla 713 Alcan Aluminium 4 154 Algema Steel 2815 Asbasice....... 4441 Bank Mentroel ... 23 Bank HevaScetie 9215 Bell Telephene ... 2254 Bow Valley Ind ... 2956

Inland Hat, Gas, Int. Pipe Line. 1978 Kaleer Resource. 2178 Loblew Com. 8' 4.25 McMill n Bl4ed'l, 253 McMill n Bl4ed'l, 753

| McMill n Bi44d'l. | 25% | 23½ | 23½ | 25% | 23½ | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25

2ceg(re Res'urce 7 8eagram 373a 8holl Canada 225a 9horritt C. Mines 93a Simpson 260

Simpson 2.50
Steel of Canada. 29 7.
Stoep Rock Iron. 3.95
Teck Coron. 8 1134
Texaco Canada. 58

Toronto Dom.8k. TransCanPipcLn

25

Caneda Gement 131, 13
Gen, HW Land ... 112, 101,
Can, Perm. Mort 192, 191;
Gen,Imp.8k,Gom 255, 261;
Caneda Indust. ... 221, 222,
Can, Pacific 511, 311,
Gen. Pecific inv. 291, 30
Gan. Super Cil. ... 130 129
Corling O'Keefe, 51, 51,
Cassar Asbestos 111, 111;

8P Canada.....

Ghleftain.....

Coseka Resource

Sony fell YS0 to Y1.970. Pioneer Electronic Y100 & Y1.970 and TDK Electronic Y90 to \$1,640. while Honda Motors receded \$17 to \$201, Fuji Photo Film \$27 to \$550 and Toyota Motors \$7 to \$558.
However, speculative stocks like Teikoku Oil and some other

Oil issues advanced on Press re-parts that a Japanese ail developing company, Egyptian Petroleum Development, has succeeded in di-covering a profitable oil field along the Sucz Canal. The Press reports said the field is likely to yield 20,000 to 30,000 harrels a day. Teikoku Oil, which owns a 13.1 per cent interest in the oil developing company, advanced Y100 to Y780. Arabian Oil rose Y60 to Y5,360 and Nippon Oil Y80

Siuppings firmed in early trading, while non-ferrous metal con-cerns Nippon Mining and Dowa Mining were bought on recent news that prices of their commodities are on the rise. Isbikawajima-Harima nut on Y3 to Y121 on a reported major tanker order from a domestic

owner.

Hong Kong

in \$1.580.

larger?tban'expected increase in the Honz Kong money supply figures. share prices were inclined to relinquish some ground yesterday in quiet dezlings on profit-taking. The Hang Seng index shed 3.16 to 554.14. Much of the day's trading was ocused on the Proportios sector. where Cheung Kong lost 10 cents to HKS10.30, while Hong Kong Land and Sun Huo Kai Properties receded 5 cents apiece to HK87.25 and HK89.75 respectively, but Hutchison Properties advanced 20 cents to HK\$10.20, Among the leaders, Hong Kong Wharf declined 50 cents 10 HK\$35.00, Jardine Malbeson 10 cents to HK\$11.80, Wheelock

With septiment unsettled by

"A" 7.5 cents to HKS3,425 and Swire Pacific "A" 5 cents to

GERMANY +

Allianz Vorsich... 8MW.......

Bayer.Hypo Bayer.Hypo Bay. Vereinsbk... Gommerzbank... Gong Cummi ... Dalmier-8enz....

June 1

Milan to a display of confidence about the country's impending General Election results, stock prices on the Milan Bourse mostly improved sfresh in fairly active tradiog.

NOTES: Overseas prices shown below exclude 5 premum. Scignan dividends are after withholding tax.

• 001 55 denom unless otherwise

plus tes Pia 500 denom, unless otherwise

stated

5 SwFr 500 denom, and Boarer shares
unless otherwise stated

7 Y50 denom,
unless atherwise stated.

7 Price at time
of suspendon o Florins.

5 Schillings.

Price + or Oiv. Yid

AMSTERDAM

June 1

nated Dir 100 denom, unless otherwise

upward trend, as the count o ballots was near to start amid expectations of a loss of votes for the Communist Party and an advance by the ruling Christian Democrats
The Banca

a continuation of Friday's sharp

ftaliana index gained 0.54 more to a new 1979 peak of 80.01. Rinascente, Sarom and Generali led the market shead. Rinascente was again in heavy demand by an undamed group reportedly seeking a controlling interest lo the Italian chain store group.

Sarom was higher on active speculative buying following runiours of a takeover of a large

interest in the oil company.
Fiat advanced L14 to L2,794 Olivetti Privileged L19 to L1,275 and Montedison L1.5 to L197.5. but Pirelli declined L11 to L1,699. Closing listing of some minor issues, such as Romana Zuccheri, temporarily because their gains had exceeded

20 per cent. Australia

Markets were mainly quiet, with Miniog issues showing a slight bias to lower levels, but Oils and lodustrials were firmer-Market leader BHP provided a feature, advancing to A\$9.62 io

early trading before reacting to AS9.50 for a net gain of 8 coots. There were some strong pockets elsewhere in the market, particularly among Textiles, a recent flurry among that sector, with broker Rivking buylo 48 per cent of Bisley and the takeover of Amco by Blue Bell, of the U.S., has prompted traders to take a second look at Textiles stocks

Retailers mainly hardened despite disappointing retail figures released last Friday.

Markets closed

TOKYO T

June 4

Asahi Class!

FUII Friesda | 248 | Hitachi | 248 | Honda Motors | 601 | Heuse Food | 872 | C. Itoh | 493 | It4 Yokado | 1,390 | 485 | 485 |

Matsuchita Ind. Mitsubichi Bank Mitsubichi He'vy Mitsubishi Corp

Takeda Chom...

<u>--7</u>

-65 -10 +2 +8 -20 +70 -15

Fra. - 2 2

Source Nikke Securities, Tokye

BRUSSELS/LUXEMBOURG

Stock Markets in the following countries were closed yesterday for the Whit Monday holiday:-West Germany, Switzerland, Amsterdam, Belglum, Denmark, Sweden, Norway and Austrie. The Paris Bourse was closed observance of the Pentecost

hnliday.

c Cents, d Orwidend site) pending rights and/or scrip issue at Per ehare. J Francs, o Gross div, **, & Asseumed dividend after scrip and/or rights issue. & Alter local taxes on **, tax tree. The reaction of the scrip is the second exclude special payment. L Indicated div. q phars split is Oiv, and yield exclude special payment. I Indicated div. Unofficial trading. 1 Minentry holders only. 2 Merger conding. 1 Assumed. 2 Bid § Traded 1 Seller. 1 Assumed. 2 Ex scrip issue xa, Ex all. A Interim since increased.

Indices and base dates tell base values 100 except NYSE All Common—50: Standards and Poors—10: end Toronic 200—1,000; the lest named based on 1975). I Excluding Bonds, 1400 Indiastrals, \$400 Industrals, 400 Unities, 40 Finance and 20 Transcort, 55/dney All Ordinary, \$80gues SE 1/17,83. ** Coochiagon SE 1/17/3 1† Paris Bourse 1961, \$\$ Commerciank

AUSTRALIA

Inter Copper Jonnings Industries Jimboriana Minorale.....

Jones (Davidi

MIM Holdings...... Myor Emporium

Olt search
Ottor Exploration
Pioneer Conorete
Reckitt & Colman
Southland Mining
Spargos Exploration
Thomas Nat. Trans.....

BRAŻIL

Turnevor Cr.143.442m, Velumo 81.722m, Source: Rie de Janeire SE.

t0.35

June 1

STOCKHOLM Aerow Australia AMATIL SI Ampol Exploration... . Ampol Petroleum Assoc, Minorals -0.02 Atlas Cop, Kr25, 71.04 8illerud 59 -1 Boters 116 -1 +0.01 162 -243 -2 1024 1294 - 1 Assoc, Minorais
Assoc, Pulp Paper S....
Audimco 25 cents...
Aust. Consolidated Inde.
Aust. Foundation Inv...
Aust. National Industries Elec'lux'8':Kr54 Ericsson 8 IKr50 Esselte Free Carlton United Browary. Volvo (Kr 50) +0.01

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Bergen Bank... 101 ... 6 55
Borregaard...... 76.25 -0.25 -...
Creditbank... 122 +0.5 11 8
Kosmoo... 455 ... 10 2.
Kreditkassen... 116.75 -0.75 11 92
Norsk HydroKr8 385 -1 18 25
Storebrano... 111 +1 7 8 -0.01 +0.03 +0.05 -0.10 JOHANNESBURG

+0.01 +0.05 +0.01 Anglo American Gpn.
Charter Consolidated
Eest Orielentein
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Kintoss
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Kinress 6.70
Kloof 14.70
Ruetenburg Platinum 3.05
St. Helene 18.00
Southwal 12.30
Cold Ficids SA 39.00
Union Gorgotation 8 40
Cold Season Original 2.07
Blyvooruitzicht 6.00
Eest Rand Pty. 7.75
Free State Geduld 28.00
Prosident Stepn 116.00
Stillontein 8.10
Welkom 52.50
West Oneloniem 52.50
Wastern Goog 17.00
Voelcm Coop 17.00
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INDUSTRIALS AEG
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Barlow Rand
GNA Investments
Gurria Finence
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C. G. Smith Sugar Room
C. R. Smith Sugar Room
C. A. Brewstries 150xd
Theor Oal's & N. Abilly, 117,77
Unisec 130 Financial Rand U.S.S 0.90% (Oiscount of 22,4 per cent)

ance Central Banco Exterior
B. Grana0o (1,000)
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Banco Madrid 8. Santender (250) 8co. Urquijo (1,000) Banco Vizcaya Zenco Zursgozana . Drogadoe Drogadoe Espenoia Zinc Cal Praciados Hidrola lburduoro Petroliber

BUILDING SOCIETY RATES

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Bank of Cypuis 12 % Julian S. Hodgo 13 % Hongkong & Sbanghai 12 % Industrial Bk. of Scot. 12 % Keyser Ullmann 12 % Lloyds Bank 12 %
London Mercantile 12 %
Edward Manson & Co. 13 %
Midland Bank 12 %
Samuel Montagu 12 %
Morgan Grenfell 12 %
National Westminster 12 %
Norwich General Trust 12 %
P. S. Refson & Co. ... 12 % Lloyds Bank 12 London Mercantile 12 Banque Belge Ltd. ... 12 %
Banque dur Rhone et de
la Tamise S.A. ... 12 %
Barclays Bank ... 12 %
Bremar Holdings Ltd. 13 %
Brit, Bank of Mid. East 12 %
Brown Shipley ... 12 %
Canada Perm'i Trust. 12 %
Cayzer Ltd. ... 12 %
Cedar Holdings ... 12 %
Charterhouse Japhet ... 12 %
Choulartons ... 12 % ■ Morgan Grenfell P. S. Reison & Co. ... Rossmiosler 12 % Ryl. Bk. Canada (Ldn.) 12 % Brown Shipley 12 Canada Perm'i Trust... 12 Ryl. Bk. Canada (Lon.) 12 % Schlesinger Limited ... 12 % Shenley Trust 14 Standard Chartered 12 Snenley Trust 14 % Standard Chartered 12 % Trade Dev. Bank 12 % Trustee Savings Bank 12 % Twentioth Century Bk. 13 % United Bank of Kuwait 12 % Whiteaway Laidlaw 12 % Williams & Glyn's 12 % Yorkshire Bank 12 % Choulartons 12 %
C. E. Coates 12 %
C-4nsolidated Credits 12 %
Co-operative Bank 12 %
Corinthian Secs. 12 %
Credit Lyonnais 12 %
The Cyprus Popular Rk 12 % ■ Members of the Accepting Houses Committee. Eagli Trust 12 % Members of the Accepting House: Committee.

First Nat. Fin. Corp. 14 % 7 deposits 9½% 1-ment deposits 9½% 1-m 7-day deposits 91,5%, 1-menth deposits 94%. † 7-day deposits on sume of £10,000 and under 91,75, up to £25,000 10%, and over £25,000 103,75. Hamhras Bank 12 % § Damand depoeits 9:2%

Soc don sangue 3.230 +10 290
Soc. Oen. Seige 2.090 - 10 140
Sofina 3.460 926
Solvay - 2.615 +5 170
UGB - 1.394 - 5 170
Violle M'ntagne 1.759 +20 - 1 SWITZERLAND & 140,8d -0.3 65.76 7.6 9.0 938.8 21.6 9.0 130.5 -1.0 80.68 0.5 122.9 +0.5 44.8 7.2 62.6 -0.2 \$0.20 0.9 69m -3.5 50 4.3 338 -2 39 9.2 COPENHAGEN 4 Prico + or Oiv. Ylo. June 1 YIENNA Greditznsteit... 536 ... 10 2.9
Porlmooser...... 277 ... 9: 3.2
Selects... 559 -8 38 8.6
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MILAN AHIC... Oo. Priv.... Fine:Oer Italeomenti. Mediobanco Montedison Olivetti Priv.... Pirelii & Co.... Pircili SoA..... 8nie Viscosa ...

Price | + or Div. Yi0. Lire | - Lire %

المكذامند للم

COMMODITIES AND AGRICULTURE

Coffee trade counts cost of cold spell

tures market yesterday as the per cent of the expected crop. frost struck ade counted the cost of the The Brazilian Coffee Institute than usual ost which hit Brazilian grow- (IBC) does not plan to attempt The main

year. In the past week the ptember price has gained £350

Brazilian shippers put last eek's frost damage to the untry's 1980-81 crop at about om bags (60 kilos each) with e state of Minas Gerais losing 5m Sao Pauln 2.5m and

BY CHRISTOPHER PARKES

TRIKE ACTION by 7,500

orkers at the weekend knocked

it three of Alcan Aluminium's

re Canadian smelters in Quebec

id sent the futures prices of

uminium sharply upwards on

The affected smelters have a

mbined capacity of 543,000

nnes a year representing 60

er cent of the company's anadian output.

The company immediately

clared force majeure on its pply commitments but could

of specify the extent to which

5 deliveries of ingots and other

aring the day before closing

ightly easier at £767, up £34.5

1 Friday's close. Spot metal osed £37.75 higher at £759.50.

The company said normal pro-uction would be resumed as

on as possible. Traders in

ondon responded with some un-

ertainty to the declaration of sace, but three months nickel

nded the day £32 a tonne lower

n the prospect of improved sup-

lies of the metal.

Reports of good physical emand boosted lead prices, ith three months metal rising

19.50 on the day to £603.75. ash lead was up £19 at £656.

oducts would be affected. On the LME three months uninium touched £770 s tonne

nelters started as workers at le inco nickel plant in Sudbury led to end their eight month

re London Metal Exchange.

Alcan strike shuts

three smelters

OFFEE PRICES continued to doubted that the total damage had no real effect on produc- disastrous," one London trader regions rose over the weekend g areas late last week an estimate before the end of this week and it may be a imbed to £1,925 a tonne at one age before ending the day on the some—the highest level for the tonne—the highest level for this week and it may be a month or more before the end of this week and it may be a month or more before an estimate before the end of this week and it may be a month or more before an estimate before the end of this week and it may be a month or more before an estimate before the end of this week and it may be a month or more before an estimate before an estimate before an estimate before the end of the week and it may be a month or more before an estimate before an estimate before the end of the end

exports "to be on the safe

Last week's frost came a year, almost to the day, after the first scare of the 1978/79 season and the market reaction is remarkably similar. But the current situation differs from last year's in two important respects.

the day, the recovery starting

with the news of a further fall

in official warehouse stocks, and gaining pace in the afternoon

following a strong opening in

£11.5 a tonne up at £889.75 and September cathodes were also

£11.25 higher closing at £875.25

Stocks in official LME were

were: copper 218,800 tonnes (-2,900); tin 1,875 tonnes (+230); lead 1,875 tonnes

(-375); aluminium 22,675 tonnes (+2,275) and silver 20,23m troy ounces (-30,000).

See Mining, page 23

whale imports

TOKYO — Japan will shortly ban imports of whale meat and

oil from countries outside the

19-nation International Whaling

Commission, according to the Agriculture Ministry. "We are

in the final stages of adjusting

domestic procedures, and it is

The ban will be announced

either at or before a general

meeting of the commission in

now a matter of days," Ministry spokesman said.

London from June 9 to 13.

Japan to ban

(+150); zinc 70,400

houses at the end of last week

s tonne.

Three months wirebars ended

frost struck much further north

The main damage bas come in the state of Minas Gerais which lies several degrees north of the Tropic of Capricorn. This tends to confirm the fears of some meteorologists that by clearing the forests to make way for new, more northerly, coffee planta-tions following the damage done by the great frost of 1975 in the southern state of Parana, the coffee planters have allowed the frost belt to move further north.

Brazil had expected, assuming there was no damaging frost, a 1980-31 coffee crop of about 28m bags. If last week's clod trana 1.5m.

This year's frost has done bags. If last week's clod London coffee traders were significant damage to the grow weather wiped out 6m bags or ore cautious, however. They ing crop whereas last year's less this could be "bad but not

Fall in wool

supplies ·

predicted

the area bardest hit consisted further frosts appears to have largely of new plantings there receded. is a serious risk that these trees, Howev as well as their crops, may have

been destroyed. If this is the case it will take four or five years for the plan- gradual deforestation of the tations to recover fully, but country. world coffee supply would still be roughly in balance with the Agriculture Ministry sources current level of demand, the said the frost and cold weather

The great danger is that fur-

world coffee supplies firmly into For 1be 1ime being, however,

the main concern is over sbort-

irge higher on the London exceeded 6m bags, or about 20 thoo. And on this occasion the said yesterday. However, since and the immediate danger of

However, most of the 4m bags logs from logt year's Brazilian coffee crop was due tot drought, another suspected result of the

conntry.
In Rio de Jansiro, meanwhile, in Brazil would reduce wheat output in Parana state this year or in subsequent years pushing by about 6 per cent, reports world as feet and state this year by about 6 per cent, reports Reuter.

They said the state was expected to produce about 1.8m tonnes this year out of a total Brazilian production of between term weather conditions. Tem- 3.8m and 4.2m compared with perstures in the Brazilian coffee 2.8m last year.

'Farmers' borrowing to hit new record'

severe cost increases.

.Fertilisers, feed, chemicals, machinery and transport are all going to go up steeply this year, the North of Scotland College of Agriculture forecasts in its letest review. The report, to be published

later this month, says the greatest impact will be on the price of fertiliser-farmers are urged to order early—with 20

be around 12 to 1a per cent this year, the report says, but imported spares will be up to

20 per cent more costly.

Animal feed hills may fall during the summer at the new grain crop comes in but by the end of the year they will be some 14 per cent higher than

Only wages, not expected to be negotiated before December. should remain stable for the rest of the year.

By way of compensation, By the end of March, sales per cent increases affecting prices for main farm commodi-were running 6 per cent bigher baulage and spare parts ties are expected to remain than last year. The rise in the cost of firm.

By Our Commodities Staff BY OUR COMMODITIES STAFF WORLD SUPPLIES of wool BANK BORROWING among machinery is slowing and will could fall next season, starting farmers is forecast to hit record levels this year as they absorb the impact of a fresh round of

July 1, because of a sharp drop in carry-over stocks in the main producing countries and in spite of a moderate increase in out put, Mr. Michael Godfrey, of the International Wool Textile Secretarist, said in London

Mr. Noel Thomas of the New Zealand Wool Board, predicted that by the end of the current season New Zealand would have sold all last year's production as well as 18m kilos from stocks. By the end of March, sales

Producers seek tin pact price changes

stock prices at the International producers would not seek a price revision in that period. Tin Council meeting in London next month, Malaysian Primary Industries Minister Producer sources said a range

Paul Leong said bere. Malaysia, Bollvia and other producers would call for a more realistic price range to reflect rising mine costs and the fact that world tin market prices have been above the ceiling price throughout the

MANILA — The world's 1,700 ringgit a picul for the approximate balance after an leading tin producing countries past year under a "gentlemen's 8,500-tonne deficit last year and will press for higher buffer agreement" in the Council that a 17,500-tonne deficit in 1977 he Apart from the immediate

> between 1,600 ringgit and 2,000 to take full account of the past year's inflation.

On the U.S. Bill to dispose of 35,000 tonnes of tin from strategic stocks, Mr. Leong said Malaysia was concerned that illconsidered releases could strangle producers' efforts to

question of prices tin producers will be discussing fundamental reforms of the International Tin Agreement at their June 14 meeting. Producer demands could in-

clude equal producer-consumer sharing of the cost of buffer stock operations, an end to the present one-third blocking vote past year, he told Reuter in an interview.

The council's price range has been frozen at a floor of 1,350

ringgit a picul and a ceiling of the range range for this year indicated the rem supply shortages.

Supply and demand projections for this year indicated to increase in the stockpile size to between 30,000 and 40,000 tringgit a picul and a ceiling of the rem supply shortages.

Accra rising report. lifts cocoa

By Our Commodities Staff

NEWS OF an attempted uprising in Ghana and possible disruption of trade etween the UK and Nigeria fuelled an upswing in cocoa futures prices on the London terminal market yesterday.

The nearby July position closed £36.5 higher at £1,689 a tonne, while September cocoa ended the day at £1,716.5 a tonne, np £29 nn Friday's close Friday's close.
An announcement on Accra

radio that an nprising bad been thwarted failed to dissipate the unease in London markets, and traders were also disturbed by Press reports that UK-Nigerlan trade could suffer if Britain recognised the government of Zimbabwe-Rbodesia,

In Manila, Mr. Paul Leong, Malaysio's Primary Industries Minister, claimed bis country's cocoa output would rise 10-fold by the end of the century.

Basing his figures on assumed yields of 1,200 to 1,500 pounds an acre compared with 395 pounds in Ghans at present, be said Malaysian production would c'imb to 195,000 tonnes from 19,000 tonnes last year.

Cocoa and palm oil, both more profitable than the traditional rubber crop, were sttracting the bulk of new investment cash, Mr. Leong

EEC subsidies 'reduce U.S. wheat exports WASHINGTON - Officials in

the U.S. Special Trade Representative's office announced the U.S. bas found that the European community's use of wheat export subsidies has substantially reduced U.S. sales to foreign markets.

But they said a decision had

yet to be made on what action sbould be taken. Mr. Alan Wolff, deputy U.S. Special Trade Representative, said: "We are concerned with subsidies in agriculture which in particular affect third country markets. We intend to pursue this issue and take wbatever steps are necessary to protect the legitimate interests of U.S. agricultural exports."
Other officials sald the U.S. Reuter to the EEC about the subsidies.

Mexico launches 'Cadillac' of mining world

BY WILLIAM CHISLETT IN MEXICO

North Mexico, was Inaugurated last weekend by Sr. Jose Lopez Portillo, Mexico's President.

The \$511m complex in arid, mountainous terraio, will start at 25 per cent of its 72,000 tonnes of ore a day capacity. A crusbing and concentration plant will produce a maximum of 1.800 tonnes of concentrate a day with between 30 and 32, per cent copper content. Full production could be reached by the end of the year.

Mexicana de Cobre, the 44 per cent publically-owned and 56 per cent privately-owned company controlling the mine has spent 10 years realising the project.

the project. A refinery, smelter and lime plaot will be added by

The mine has reserves of 680m tonnes of ore with an average purity of 0.67 per cent copper and 0.02 per cent molybdenum. With the mine Mexico will move from 17th place to sixth place in world country's demands can be satisfied with 20 per cent of produc-tion and the other 80 per cent will be exported. Contracts have alreave been signed with West Germany, Bulgaria, South Korea, China, the U.S. and Japan, It is estimated that copper exports could be worth

\$350m a year.
The lime plaot will produce 440 tonnes a day and the smelter will produce 180,000 tonnes of blister-type copper a year. The reficery's production capacity will be 150,000 tomes

LA CARIDAD, the world's and the plant devoted to the second largest open-pit copper extraction of molybdenum will produce 2,000 tonnes a year of sulphide concentrate.

The mine's production capacity will eventually rise to 90,000 tonnes of ore in order to compensate for the decrease in ore grade without reduction of its copper output. When the purity reaches 0.4 per cent, which is the limit considered acceptable for the concentration plant, an extraction instal-lation for leaching and electrolytic recovery will be adde**d**.

It is estimated that investment in the project could lotal \$160 by the line every stage is finished and that it will take at least len years to pay this off.

Mining of the deposits is done through the open-pit system from 50-foot high "henches" formed as material project.
"It's the Cadillac of the system from 5u-foot high mining world," said one U.S. henches formed as material banker involved in financing loosened by explosives is removed by 120-innne capacity trucks. The crushing plant reduces the material's size to 20 cm and a conveyor belt, capable of handling 6,700 tonous an hour, takes the nuneral to an area where 400,000 tonnes of ore are stockpiled.

The fine-crushing section will

reduce the size of the mineral to less than 13 mm.

Once fine-crushed the mineral is conveyed to silus with room for 60,000 tonnes. These silos feed 12 ball mills in which water is added to the process. Ore is fine ground and sent to flotation cells where cooper values are recovered.

The concentrates, containing between 30 and 32 per rent copper, are filtered and dried to arrive at a material with six per cent moisture content. The mineral is then shipped to smelters in Mexico or exported. capacity will be 150,000 tomes Smelting will be done at La of electrolytic copper 3 year Caridad later.

Oil, meal prices likely to fall

PRICES for ollseeds, oils, fats "This is a rather good inand oilmeals are likely to crease considering that we are decline coosiderably during in an 'off-year' within the Juoe and July and possibly blennial cycle that developed in cootinue falling in the autumn, past seasons," the publication according to Oil World. Meanwhile, net world imports

It is, however, well below the of oilmeal in the year to the 10 per cent risc seen in 1977-78 end of September will rise 6.9 and below the average increase and below the average increase of the past four seasons.

ash lead was up £19 at £656. In 1978 Japan imported Early losses in the copper 10.432 tonnes of whale meat tarket were recouped during from non-member countries. 3RITISH COMMODITY MARKETS

BASE METALS : COPPER—Firmer on the London Metal change. After trading between £873 at £884 in the morning, forward metal il to £874 over the lunchtime pedod ilowing the lower than expected omex opening. However, a relly in owe yerk, reflecting short-covering and se ebsence of eny lurther selling reasure saw the merket here move lead strengly to touch £880 prior to close on the iste kerb of £885. The esh decline in stocks hod been widely

. 10vpnin.	4.00	anes.	p.Ju.	H- or
OPPER	Official	_	Unofficial	_
7irebers	4	8	£	. 🖴
mooths.	866.5-8 880-1	+5.25	875-6	
athodes	. 866	+3	- ,:	-
monthe.	842.5-4.5 864.5-8	+2,26	8524 874.5-6	+114
6. Smt.	844.5	+ 1.5	*81.60.9.25	
Amalgar	nated Ma	tal T	reding rep	orted

aded at £855, 65. three months £83, 2, 83, 84, 83, 82, 81, 80, 50,5. athode. three months £855, 64,6. erb: Wirebare, three months £873, 77.

90, 89.5, 90. Kertz Wirebers, three months £887, 86.5, 85, 84, 84, 5, 85, 11N—Quietly easier, Forward metal eponed around the £7,150 level and fell to £7,100 lollowing freer offsrings of cesh which caused a netrowing in the backwardation. However, in the afternoon the merket steadied following less having end U.S. physical interest which left lorward motal at £7,180 en the late kerb. Turmover 1,00 tannes. TIN Official - Unofficial -

Standard 7450-50 -187 7530-50 -35 3 mouths 7450-50 -112 7150-55 -10 56t.16m's 7450 -180 - 7450 -180 - Kaw .York - Morning: Standard, cash £7,450. three months £7,140, 30, 20, 30, 7,100, 10. Kstb: Standard, three months £7,110, 7,100, 10, 20. Alternoon: Standard, cash £7,470, 7,500, 20, 30, three months £7,120, 30, 50, 80, 55. Kerb: 5tandard, three menths £7,150, 70, 80, 70. LEAD—Strong as Iresh buying and covering agoinst good physical domand pushed forward metal from £587 to s day's high of £605 prior to a close on the leta kerb of £598. The market was

G. Index Limited 01-351 3466.

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CORAL INDEX: Close 510-515

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PERSONAL

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LEAD £ £ £ ± £ +18 +27 505-7 +18 603.5-4 +19.5 +27 -54-8 3 months . Sett ment U.S. Spot. Mouning: Cach £655. 54, three months £600. 595, 600, 602, 1, 2, 3. Kerb: Three months £603, 2, 1, 600, 599. Afletnoon: Three months £600, 1, 2, 3, 4, 5, 3. Kerb: Three months £600, 1, 2, 3, 4, 5, 3. Kerb: Three months £603, 4, 3, 1, 600, 598.

ZINC—Essier in routine trading with forward metal trading between £357 and £369 before ending the late kerb at £362. Turnovot £575 tonnes.

ZINC Official - Unofficial -Moming: Cash £355, 53, 51, three months £357, 65, 63. Korb: Three monthe £358. Afternoen: Three months £362, 63. Korb: Three months £364, 63, 62.

ALUMINIUM—Sherply higher following the Alcan force majeure. Forward metal opened higher et £750 and eurokly advanced to £770 on the pre-makel. In the rings and on the morning kerb profit-taking parad the price to £757 but frash buying saw advance in the efternoon prompted a close on the late kerb of £765. Turnover 10,425 ignores. o.m. 1+or p.m. r+or Difficual -

£ £ £ £ £ 784-5 +27 758.5-80.5 +573 752.6-3 +241 766.0-7.5 +54.5 Morning: Thres montho £764, 65, 65, 65, 65, 68, 64, 82, 62,5, 63, Kerb; Three months £759, 58, 57, Aftornoon: Three months £763, 64, 65, 66, 68, 59, 70, 69, 68, 67, 66, 65, 64, Morning & France & France & France & France Karb: Three montho 1798, 96, 65, 64, MICKEL—Slightly exator. After oponing at £3,360 lorward motal came back to £3,300 following news that the strike at Inco's Sudbury mines was every However, renewed buying in the efter-noon puehed the pulce sheed to £3,370 on the lote kerb. Tumover 402 tennes.

Moming: Three montho E3,350, 60, 50, 3,300, 20. Korb: Three months E3,310, 3,300. Alternoon: Three months E3,310, 20, 33, 35. Kerb: Three months E3,340, 50, 70.

*Centa per pound. ‡SM per p/sul. † On previous unofficiol close.

SILVER Silver was fixed 10.6 on eunco lower for spot delivery in the London bullion methet yesterday at 405.7p. U.S. cent equivelents of the fixing levels were: Soot 843.0c. down 20.4c: three-month 863.3c. down 20.9c; six-month 880.3c. down 21.5c; and 12-menth 914.9c, down 21.1c. The metal opened at 409-410-p (850-853c) end closed et 405-1-406-p (843-845c).

Unition + or L.M.E. + or fixing price -| Spot...... | 405.7p | -9.8 | 405.4p | -7.75 | 5 months | 416.8p | -10.8 | 417.75p | -7.8 | -10.8 | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. | -11. |

LME—Turnevor 233 (203) lets of 10,000 ezs. Morning: Three months 418.5, 18. 17.8, 7.7, 17, 18.2, 6.4, 6.2. Kerbs: Three menths 418.2, 18. 15.8, 5.7, 5.5 Afrernoon: Three months 418.5, 8.3, 8.4, 8.3, 17.5, 7.8. Korbs: Three months 417.5, 7.4, 7.3, 7.2, 17, 7.2, 7.4, 7.8, 18.2. COCOA

tor prices to clese marginally off the day's highs, reported Gill end Ouffus, Yesterop'o' + or, Bandness Dove 200, 230.0; Oct. 220.0, 230.0; Oct. 220.0, 240.0; March/May/July/Oct./Osc. 250.0, 240.0. NEW YEAR AND CROSSREDS—Clese

.. 1688-)690 +56.5 1687-1660 .. 1615-1618 +29.0 1723-)892 .. 1774-1775 +23.0 1780-1755 .. 1789-1790 +22.0 1795-1775 .. 1800-1806 +22.5 1806-1800 .. 1825-1855 +21.5 .. 1825-1855 +21.5 Salea: 2,363 (2,433) lote of 10 tonnes.
International Cocoa Organisation
(U.S. cente pet pound): Daily price
June 1 155.80 (153.47): indicator
prices for June 4: 15-day everage
133.93 (153.47): 22-day average 152.54
(152.35).

COFFEE

Robustas opened sharply highat again following confirmation of severe damage to the coffee crops caused by the evenight frost, recorted Drexal Burnham Lambert. Trading was arraric for most of the day and ell business had to be conducted under the call cheirmen's jurisdiction with the exception of option trading. Voluas eventually finished between £50 and £105.5 up from Friday.

ab 110.11 1 1	uay.		
COFFEE	Yesterday's Close	+~	Busines
	£ per tonne	_	-
July	1855-60 1881-64 1870-75 1865-70 1860-65 1850-55	+109 +77.5 +75.0 +95.S +57.S +62.5	1910-180 1935-191 1940-180 1940-180 1935-184 1925-164
5a 65: 1	6,132 (19,	500) Ti	ots of

tonnes.
tCO Indicator prices for Juno 1
(U.S. conts per cound); Other Mild
Arabicas 171.67 (152.17); Robustos ICA
1976 162.00 (149.00); ICA 1968 162.50
(149.50); Colombian Mild Arabicas
175.00 (155.00); unwashed Arabicas
159.00 (36me). Comp. daily ICA 1968
184.95 (148.67).

GRAINS

IMPORTED—Wheat: CWRS No. 1.

13'z per cent, unquoted. U.S. Oark
Northern Spring No. 2. 14 per cent,
June 90.75, July 90.75, Aug. 81.25.

U.S. Hard Wintor, 13'z per cent,
unquoted. ECC unquoted. Misico: U.S.,
French June 111.25, July 112, transhipmont Eest Coast. South Alrican White
unquoted. South Alrican Yallow June
78.00 nominal. Barloy: English tend
feb Oct./100c. 91.50, Jen./Match 96.50,
transhipment East Coast.

HGCA—Location ex-larm soot prices.
Feed berley: Cambridge 93.90.
The UK monetery coefficient for the
wask baginning June 11 is expected to
decresse 10 1.183. wask baginning Juno 11 is expected to decrease to 1.83.

LONDON FUTURES (GAFTA)—Groins epened 10.15p lower in very thin trading conditions. Volues cosad in the morning session on commercial selling to close 15-20p lower on wheat and 15-25p lower on batley. A little buying interest was seen in the afternoon session and valuos improved to close 5-15p higher on whoat and unchanged to 10p higher on batley, Acli reported.

WHEAT BARLEY M'ath close - Testerday's + or Sept. 90.85 +0.15 85.25 Nov. 95.85 +0.10 89.00 Jun. 97.80 +0.00 82.80 Mar. 101.15 +0.05 95.20 Moy. 104.45 +0.05 99.40 Business done—Wheet Sept. 90.95. 8usiness done—Wheet Sept. 90.95. 90.60. Nov. 93.95-93.50. Jan. 97.80-97.55. March 101.00-100.90. May 104.45-104.15. Seles 82. Betley: Sect. 85.25-84.85. Nov. 89.00-88.75. Jen. 92.65-92.50. March nil, May 99.15-99.10. Seles S1.

WOOL FUTURES

SYDNEY GREASY—Close (in order: buyer, scillor, businoss, salos). Micron Contract: July 393.5, 394.0, 393.5-393.0, 10; Oct. 493.0, 493.5, 493.0-492.5, 31; Dec. 493.0, 495.5-494.0, 48; Msrch 407.0, 496.0, 407.0-406.5, 5; Msrch 407.0, 496.0, 407.0-406.5, 5; Msrch 407.0, 496.0, 407.0-406.5, 5; Msrch 407.0, 496.0, 407.0-408.0, 10; Dec. 418.0, 424.0, pil, nil. Stee: good learner, reported Thomson, Lloyd and Swart.

olse helped by the strength of coppor, tione before profit-taking pased gains LONDON GREASY—Close (in order: Tumpyer 8.750 tonnes. PRICE CHANGES 250.0, 240.0, NEW ZEALANO CROSSBREDS—Close (in order: buyer, sellor—no buerness done). July 197.0, 200.0; Oct. 196.0, 202.0; Occ./March/Mey/July/Oct./Occ. 203.0, 208.0.

RUBBER

Xo. 1 R.S.S.	Yesterday'e Close	Previous Close	Business Dano
	54.80-55.25 65.50-65.70		_
Jr-Sept. Oct- Dec	65.40-65.55 67.40-67.50 69.65-69.40	64. 15-84.50 68. 10-09.20	65.76-65.20 87.86-66.40
Jy sept. Oct. Dec	71.20-71.80 76.05-76.10 74.95-75.10	71.75-71.90 75.75-75.95	78.10-75.00
Şales	77.18-77:15 Nil (11) I	ors of 5 to	
Spot	cal closing 64.25p (63 Aug. 68.25)	3,25); Jul	yer) were y 68.25p

SOYABEAN MEAL

The London morket opened weaker and moved to show losses of £1 on long liquidallon, reported T. & Foddick. Late in the seesion the market

Yesterday + or Business Close - Bono Sales: 92 (104) lots el 100 lonnea.

SUGAR

LONDON -DAILY PRICE (raw auger): £99.00 (£97.00) a tonne cuf lor May-Juno ahioment. White auger darly prico was £105 (£103.50). Scattered short covorings developed during the morning in thin trading conditions which lifted prices some 50 points Largs, higher Now York quotations produced (urther gains and the markst closed at the highs of the doy barween 125/140 points above first tradad lovale, reported C. Czemikow.

Aug...... 106.25-05.55 106.50-05.75 106.50-05.76 (cc. 119.56-10.40)07.55-07.80 110.50-09.00 Dec 114.20-14.20 111.60-11.85)14.50-11.75 March 115.25-18.40 116.44-18.50 119.60-19.50 May 121.25-21.46 119.40-19.50 121.60-2).00 Aog 125.00-25.15 125.25-23.60)24.00 Oct. 125.25-28.50 |26.50-27.50 6alss: 2.144 (540) buts of 50 tonnes.
Tate snd Lyls ex-rofinary price for graculeted besis white euger wos 279 50 (same) a tonne for home trade end Cr68 (£167) for export.
Internetional Sugar Agreement (U.S. conts per pound tob ond stowed Caribbean port). Price for Juno 1. Oally price 7.72 (7.70): 15-day average 7.80 (7.62).

TEA AUCTION

In tonnes unless otherwise stated.

In tonnes un				
	June 4 1979	+_or	Month égo	
Metals				
Aluminium Free Mkties)	\$1655,75	+ 65.0	91,580/e0	
Cash w'bar 3 mth	CR75.5	+ 12-0	£993 £992.75	
Cash Catheda	£853 £875.25	+9.0	£990.5 £988.7	
Gold troy oz	'597S.125	0.5	\$242.625	
Lead cash 3 mth	£503.75	+18.5	£571.5 £529.5	
Nickal Freemkt(cifilb)	290,330	_20.0	258/80c	
Platin'm tr'y oz Free mkt	£171		£159 £194.85	
Quickall'vor	\$335/46	—15.e	\$270/80	
3 months	415.8	-10.65	367p 376.S _{[1}	
Tin cash 3 mthe	£7,152.5	-36.0 10.0	£7,580 £7,157.5 \$137.42	
Tungsten Wolfrm 22.04 cif	\$137.58	+0.72	\$137.42	
Zinc cash 3 months	£351.5	-2.0 -1.5	\$135:40 £383 £384.75	
Producers	\$845	ļ		
Dils Coconut (Phil),	\$1,040 ₀	!	\$1,090	
Groundnut Linesed Crude.	£585] ;	£411	
Palm Malayan. Seeds	\$ 664 r	!	\$560 .	
Copra Phillo Coyabean (U.5.)	\$710s	_1.3	5730 S307	
Frains				
Sarlay Futurea Maize	-	ı	£97.35	
ronch No 3 Am Wheat		: 	0.\$113.	
No. 1 Red 9pg.' Ne2HardWint.				
Eng. Milling t	£107.5e	i 	£101.5	
commodities	£1,780		£1,649	
Cocoa ehip't Future July ColleeF't'rJuly	£1.715.5 £1.968	+28.5	£1,593 £1,546.5	
olleeFt'rJuly otton A'Index	74.5c 64.25		£t.546.5 73.4c 51n	
tubbar kilo (lugat (Raw), ; Vocito o 64s ki	298	+1.0	£95	

"Nominel, † New crop. ‡ Unquotad. † May-Juno. r July. s July-Aug. † Juno. w Segt. y Nov. x Per ton. ! Indicator. § Buyar. **MEAT/VEGETABLES**

MFAT/VEGETABLES

5MITHFIELD—Pence por pound. Beol; Scottieh kulled aides 60.0 to 65.0; Ere hindqueriers 83.0 to 95.0, loraquarters 42.0 to 44.0. Voel: Outch hinds aid onds 98.0 to 101.0. Lamb: English small (new secson) 80.0 to 50.0, medium 70.0 to 50.0. in printed flozen; NZ PL 52.0 to 52.5, PM 51.0 to 52.0. Hoggets: English 40.0 te 64.0; Sconleh 40.0 to 64.0. Pork: English, under 100 lb 34.5 to 44.0, 100-120 lb 34.5 to 44.0, 100-120 lb 34.5 to 44.0, 100-120 lb 34.5 to 42.5, MEAT COMMISSION—Average fattock orices at reoresontative marketo: GB—Cattle 84.920 pet kg livaweight (+4.28). UK—Sheop 197.5p per kg livaweight (+1.1). England and Wales—Cartlo numbers down 13.9 pet cent, average price 85.73p (+4.79); sheep up 3.8 per cent, average 198.00 (+4.7); prigs down 17.5 per cont, average 58.5p (+1.01. Scotland—Cartlo down 0.9 pet cent, average 83.12p (+3.25); sheep up 34.2 pet cent, average 180.7p (-9.7); prigs up 2.8 per cent, everage 51.8p (-0.4).

COVENT GARGEN—Prices in elerling per package excopt where otherwise stared. Imported produce: Oranges—Israeli: Valencia Lales 4.405.50; Cyptus: \$0.05.80; Brazilien: 450-5.00; S. Alrican: 100/120′c 450-5.00; S. Alrican: 100/120′c 450-5.00; S. Alrican: 100/120′c 450-5.00; S. Alrican: 500-6.20; Brazilien: Trayo 2.80, Grapa-Irult—Cyprus: 4.00-4.80; Israeli; Jaffe 35/68 4.00-4.50; S. Alrican: 30/64 3.30-3.90. Apples—S. Alrican: Grenny Smith 6.50-700. V/hite Winter Peermain 5.00-5.00 starking 5.80-8.20. Goldon Delicious 8.40-7.40; New Zoaland: Cox orange Pioons 7.00-8.30. Goldon Oelicious 6.80, Red Oelicous 7.00; Tasmsnen: Jonethane 5.50-5.80. Cox's Orange Pioons 7.00-8.30. Goldon Oelicious 6.80-4.80; Washington: Red Oelicious per boe 8.00-10.00; French:

AMERICAN MARKETS

per cent to 40.48m tonnes.

PRECIOUS METALS closed higher on renewed Commission Houss and speculative buying. Copper finished steady on speculative buying. Copper tinished steady on speculative buying. Cocoadlosed strong on new Commission House and Charitst buying. Sugar closed very steady on Commission House and Charitst short-covering. Coffee closed limit bid in pools on continued weether fears, Bache reported. Cocos July 153.80 (150.40), Sept. 157.00 (153.70), Dec. 160.00, Morch 161.25, May 162.35, July 163.4S, Sept. nil. Copper—June 79.90 (78.80), July 80.30 (78.30), Aug. 80 85, Sept. 81.40, Oec. 82.50, Jen. 82.70, March 83.20, May 83.50, July 83.75, Sept. 83.95, Oec. 84.25, Jan. 84.30, Merch 84.40, Gold—June 275.50 (272.50), July 277.70 (274.70), Aug. 279.90, Ocr. 284.60, Dec. 289.30, Feb. 294.10, Aorii 298.90, June 303.70, Aug. 308.50, Oct. 313.30, Dec. 318.10, Feb. 322.90, April 327.80. 327.80. **Platinum—June 427.90 (436.00), July 427.90 (437.40), Aug. nil, Oct. 427.90, Jan. 429.40. April 431.40, July 433.50, Oct. 435.80, Jan. 439.10. **Silver—Juna 855.5 (848.0), July 861.5 (858.6), Aug. 868.3, Sapt. 975.0, Occ. 839.8, Jan. 899.4, March 910.8, May 922.2, July 832.6, Sopt. 945.0, Occ. 953.0, Jan. 958.8, Merth 980.3, Handy and Hatman soot 845.00 (857.00). Tin—695.00-718.00 esked (705.00-718.00)

87.80-87.75, Oec. 89.10-89.30, Feb. 90.40-90.45, Aoril 91.47-91.48, Juno 92.65, Aug. 93.80, Oct. 94.95, Oec. 96.10, Feb. 97.25, April 93.05, June 92.55, Aug. 100.50, Oct. 176.75, Doc. 103.00, Feb. 104.25, April 105.50, 130.00, April 105.50, 130.00, April 105.00, April 105.25, April 105.25 28.25-26 30.

†Whath—July 370¹,-372 [369¹,). Sect.
375¹,-376¹, (374¹). Oec. 328-388¹,
March 397. May 397.

WINNIOEG, June 4. \$Rya—July
112.70 bid (111.50). Oct. 111.40
(110.50), Dec. 108.3 bid, May 109.55
hid. bid. §Barley—July 95.40 (96.00 asked), Ocr. 93.60 (94.00.94.30), Occ. 91.79 asked, March 91.20 asked, May 91.30 asked, M2100 81.30 asked, May 31.31 asked, 50015—July 84.10 [93.10 asked], Oct. 91.80 bid (91.80 asked), Oct. 91.80 asked, March 87.70 asked, May 30.00 asked, March 87.70 asked, May 30.00 asked, July 322.20 bid (322.50), Oct. 314.30 asked (314.50 bid), Nov. 308.30 asksd, Oct. 300.50, May 300.00 bid. 716.00).

CHICAGO Juna 4.
Lerd—Chicage loose 25.25. Now
York orime steam not available.

114Maits—July 260-2694 (267). Sept.
273-2734 (2704). Oec. 277-2774. March
2857-2854, May 291, July 2934.

Pork Bellies—July 43.50-43 85 (43.101).
Aug. 41.65-41.75 [41.30), Feb. 44.50.
Aug. 44.65-41.75 [41.30), Feb. 44.50.
July 45.90. Aug. 44.90 bid. Soles, 5,919.
31 Centa per Solib bushal. || \$ oor short ton
31 Centa per Solib bushal. || \$ oor short ton
36 \$ cor 1.000 sq. leet. \$ Cents oer
46.50. March 44.40. Moy 45.20 asked,
314 Centa per \$ 5-1b bushal. || \$ oor short ton
36 \$ cor 1.000 sq. leet. \$ Cents oer
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36 \$ cor 1.000 sq. leet. \$ Cents oer
36 \$ cor 1.000 sq. leet. \$ Cents oer
374.20 \$ cor 1.000 sq. leet. \$ Cents oer
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INDICES

FINANCIAL TIMES June 1 |May 31|M'nth age | Year age 284.95 279.20 877.00 258.46 (Base: July 1, 1951=190)

DOW JONES Oow June May Manth Your Jenes 1 31 ago ago

June 1 May 31'M nth ago! Yoar ago 1066.1 1068.1 1065.0 992.8 (December 31, 1931=100)

9pot ... 394.45 391.72 392.64355.06 F'tur's 402.62 399.36 399.09384.68 Average 1924-25-26=100)

Juno 4 · Juno 1 M'nth ege! Year ago

1574.9 1568.4 . — 1515.4 (Base: Scotember 18, 1937=190)

Golden Oelicioua 72's 2.30-2.50, 84's 2.20-2.30, Jumble oack per oound 0.06-0.10: Italian: Golden Oelicious per pound 0.07-0.08, Rome 90auty 0.09: Outch: Goldan Oelicious jumble pock 22 lb 1.40-1.50. Pears—S. African: Cartons Baurre 90ac 6.50-6.80. Pacham's 8.30, Nelis 8.80. Bananas—Jamoican: Par 26 lb 4.20-4.40. Graces—S. African: Cartons, Barlinle 4 80, New Crosa 5.40. Golden Hill 6.50. Emperor 4.70, Almona 7.00: Israali: Perlette 5.00. Peaches—Spanish: 9's 5.50. Apricots—Spanish: 2.50-3.50. Strawberries—Italion: Aporox. 1-yound ounnets 0.25-0.30, Cheiries—French: 0.35-0.40 per ppund: Cyprus: 0.60. Avocados—S, African: 2.80-3.00, Onions.—Dutch: 2.49-3.30; Chilesn: 4.50; Cenary: 4.50; italien: 4.50; Cenary: 4.50; italien: 4.50; Spenich: 3.50. Tomatoes—Jereay: Per tray 3.60; outch: 2.70-3.80; Guernsey: 3.50-4.00. Cabbages—Dutch. White, net 5.00. Potatoes—Egyptisn: 50 lb Spanish: 3.50. Tomatoes—Jerey: Per pound 0.15-0.16; Greek: 4.20-4.40; Italien: 4.60; Spenich: Majorosa S.00; Iralien: approx. 22 lb 3.00-3.20; Teree: Por pound 0.17; Franch: 12 kilos 4.00. Captagus—Calibronan: Per pound 0.90-1.60.

pound 0.90-1.00.

English produce: Potatoos—New erop oer pound 0.15. old crop por 25 kg 2-40-2.80. Letruce—Par 12 round 0.60-1.20. Mushroems—Par pound 0.50-0.70. Apples—Per pound Bramley 0.04-0.09. Beatroot—Par 28 lb 1.00. (ong 1.80. Carrots—Per 28 lb 2.30-3.20. Dallons—Par 28 lb 2.20-2.80. Rhubarb—Per pound outdoor 0.03-0.05. Tomatoes—Per 12 lb 3.40-3.50. Cucumbers—Tray 8/18's 2.00-2.80. prepock 3.20-3.40. Ceutislowers—12's 4.00-5.00. Spring Greens—Per tarto Kont 0.80-1.20. Asparagus—Per pound 0.50-0.70. Celety—8oxes 12/30's 3.50-4.50. Strawbernies—Per 14-pound 0.20-0.25.

Plan to boost Burma rubber

8y Our Own Correspondent RANGOON - Burma has

aunched a four-year programme to rehabilitate its rubber in-dustry, and state-owned rubber estates and rubber processing facilities in the Tennasserim region of south Burma are to be modernised. Improving estate management

and operation, and advice on best techniques of processing and research will cost about \$800,000, of which the UN is providing \$684,400 as a technical assistance grant.
Implementation of the pro-

gramme will be financed by a oan from the World Bank. Production from the country's 215,000 acres of rubber planta-tions-58,000 acres state-owned and the rest made up of small privately-owned holdings - has fallen from around 25,000 tons in 1962 to 15,000 tons last year. A feasibility study on rubber rebabilitation was carried out three years ago by Burmese agriculture officials and Harrison Fleming of Britain.

Adverse background influences drag equities lower before technical rally reduces losses after-hours

*First Declara- Last Account Dealings tions Dealings Day May 21 May 31 June 1 June 12 June 28 June 28 July 10

"Now me" dealings may take Subsequently of the fall was accounted for hy Beecham, Bnots and Courtainted the subsequently for the fall was accounted for hy Beecham, Bnots and Courtainted the subsequently for the su Option
*First Declara- Last Account " Now time " dailings may take place from 9.30 am two business days

The new trading which covers the Conservative Government's first Budget hegan on a sour note yesterday. Equities were still avershadowed by the oil crisis highlighted by the crisis, highlighted by the Franco/German opposition to U.S. oil subsidies, inflationary and pay problems plus a couple of uninspiring surveys about prospects. Leading therefore, soon lost

Short-dated Government stocks also came under pressure an discount house selling, although overall trade was relatively light hecause lunds available for investment were depleted by the final call amounting to £420m on Exchequer 11 per cent 1991. A disposition to await today's banking figures was also noted, particularly at the longer end of the market wivre quotations remained at Friday's list levels.

Any lingering hope that views on the Chancellor's intentions next Tuesday might galvanise institutional investors into action were onickly dashed and within 90 inimites of business the contracts completed in the leaders were showing falls of Traded Option market since

several pence. The FT 30-share index measured this decline with

Subsequently, the tendency settled and late in the afternoon a good technical recovery developed which continued afterhours and the index was, at alloy finally only a net 2.8 down with 1.4 of the loss attributed to the dividend deductions of the

stocks closed unmoved after an extremel light trade. News that trade returns for three months would he announced on Friday

came loo late to affect sentiment.
A routine husiness made no great impresion on rates for marginally easier at all per cent.

Yesterday's closing total of 417 was the lowest number of

	LONI	_	TR	ADEL		PTIO!		1
Option	Ex'rc'se	Clasing	Vol.	Clasing	Vol.	Clasing, offer	Val.	Equity
8P BP BP Com. Unien Cons. Gold Cons. Gold Cons. Gold Cons. Gold Courtaulds Courtaulds Coutraulds CEC GEC GEC GEC Grand Mot. Land Sees Marks & Sp- Sholl Shell Shell	220 260 280 100 110 390 420 460 140 280 330	98 46 14 10 11 5 10 12 13 16 18 18 35 18 18 25 25	11 23 27 15 10 4 4 11 68 18 30 9 3 12 248	132 82 42 18 13 13 14 13 14 15 16 11 13 14 15 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	34	175 116 76 5 28 117 12 71 517 30 63 53 14 49 88	10 10 10 11 11 11	1166p 1530 352p 104p 4020 4020 149p 306p 117p 378p
TO LLIS	;	Aug		Never	nber	Febru	ary	j.
80C Inti. 80cts 80cts EMI	80 220 240 110	5 7 2 15	= 1	8 12 6 20	10 1 20	10 19	1 - 8	78p 202p 105p

above-mentioned stocks. shove-mentioned stocks.

Short-dated British Funds reacted in the face of offerings though to stem from discount houses. Buyers appeared to be awalting today's eligible hanking liabilities and quotations ended at the day's lowest with losses extending to 16. On the other hand, medium and longer-dated stocks closed unmoved after an

investment currency which hovered either side of Friday's closing nremium before settling Yesterday's SF conversion factor was 0.fi260 (0.8263).

nention. Leading Buildings passed

ICI traded hetween narrow limits and settled at 375p for a net gain of 2. Among other Chemicals, British Benzol found support and 6rmed 2 to 45n hut, awaiting today's annual results. Carless Capel eased a penny to

Stores displayed no set trend

January 29 when the figure following the chairman's further amounted to 411. Not one deal was completed in 1CI hut 93 done in GEC and 84 in

Cons. Goldfields.

B. and Q. (Retail). which staged a highly successful debut last week, encountered profittaking following Press comment and essed 4 to 83p.

NatWest dip and rally A Press suggestion that the hank would soon announce a sizeable fund-raising call unsettled NalWest which drifted sizeable

to 336p before rallying late to close unaltered at 342p. Other major clearers cased in sympathy and Barclays and Lloyds relinquished 3 apiece to 4f2p and 322p respectively. Discount houses made good progress in the late trade and closed with rises ranging to 15; Allen Harvey and Ross ended that much better at 355p. while Jessel Toynhee added 7 to 69p as did Union, 10 3ft2p. and Cater Ryder appreciated 6 tn 331p. Among irregular merchant banks, Schroders firmed 15 to \$30p in a thin market.

Insurances plotted an irregular course in thin trading. Christopher Moran chespened 2 to 35p on the announcement that Lloyds of London is launching an emergency enougy into the

affairs of a subsidiary.
Scattered offerings and the absence of support left Breweries at slightly lower levels. Against the trend, Scottish and Newcastle hardened a sbade to 73p in response to weekend Press

quiet session and closed little changed on balance, but secondary issues displayed one or two useful improvements. A fairly hrisk trade developed in Brown and Jackson which, in its slimmed-down form, gut on 19 to 205p xc. Reflectine the improved annual results, Francis Parker firmed 11 to 251p. Mallinson-Denny added 21 to 66p on vague bid rumours and still reflecting the annual results. Wettern Brothers 6rmed 4 for a two-day gain of 8 to 1220, Buyers came in for Ruberoid which put on 3 to 51p.

following a moderate business. Martin the Newsagent rose 6 to 270p in response to the increased interim profits, while Hardy and Co. (Furnishers) gained 9 to 145p

strong rejection of the hid from Harris Queensway. Time Pro-ducts hardened & to 247p xd on Press comment and Helene of London edged forward a penny to 29-p for a similar reason. Renewed speculative demand on De La Rue firm

Renewed speculative demand on bid hopes lifted Moss Bros. I more to 280p. The chairman's revelation in his annual stale-ment that the group incurred a loss in the first quarter of the current year left Cope Sports-wear 3 off at 52p while among the leaders, UDS dipped 3: 10 102p xd and Marks and Spencer softened 2 to 117p.

After last week's speculative surge of 39 on hid hopes. Stylo Shoes fell 1fi to 13ap on profitaking following the chairman's reported denial

scrappy selling hefore recover-ing to close only 3 down on halance at 403p, Elsewhere in the Electrical leaders. EMI. Electrical leaders. EMI. unaltered at 106p. failed to benefit from the sale of 36 of its restaurants to Bejam for £4.78m. Among secondary issues. Sound Diffusion encountered buyers at 123p, up 9, while Dreamland firmed 4 10 53p and Ferranti improved 9 to 406p. Freso selling, however, left Decca "A" 5 down at a low for

reported denial.

the year of 3050.

Apart from John Brown, S chesper at 319p, the Engineer-ing leaders picked up from a dull start to close little altered on halance. Elsewhere, Edgar Allen Balfour improved a to 68n on the share exchange offer and cash alternative worth just over 69:p from Aurora Holdings which gave up 3 to 87p. Late demand primpted a gain of 8 to 158p in Baker Perkins. Fresh huying in a restricted market lifted G. Whithouse 15 to 190p. while other 6rm snots included Deritend, 6 up at 170p, and W. G. Allen, 4 to the good at 44p. Anderson Strathclyde hardened 2 to 68p in response to favourable weekend Press mention. On the other hand, fears that the Monnoolies Commission may

to 101n, after 100p. Leadine Foods all but recovered early falls, but Northern ended 2 off at 124p awaiting today's Interim results, Elsewhere, Bernard Matthews improved 4 to 234n and, in a thin market, Hillards added 9 to 235n. Despite the leaves half. 315p. Despite the lower half-yearly profits. Albert Fisher firmed ½ to 100, but small selling

investigate the hid from GKN

promnted a little nervous selling Sheenbridee which eased 2

eft Taverner Rutledge 4 cheaper recently firm Saatchi and Saatchi quietly mixed. Anglo American encountered pro6t-taking and Corporation reacted 12 to 416p encountered pro6t-taking and Corporation Corporation 4 to Chrysler Russer Allumin Leading Hotels and Caterers sbed 5 to 213p and ahead of apd Union Corporation 4 to Chrysler Russer Palmalivo Frank Handwell Russer Palmalivo Fra left Taverner Rutledge 4 cheaper

gave ground on scattered offer-ings and lack of support. Grand Metropolitan and Trust Houses Forte cased + apiece to talp and 166p respectively. Ahead of Taursday's annual results, Brent Walker slipped 3 to 97p.

Miscellaneous Iodustrial leaders got the Budget Account off 10 a quiet and mixed start. For the first time since the disappoining results were For the first time since the disappoining results were announced on May 24, Beecham moved upwards, rallying 8; to 567p xd, while Unilever closed a like amount better at 605p. Glaxo firmed 7 to 477p but Reckitt and Colman relinquished in 470p and Read Harmeticant. ā to 4700 and Reed International © 10 1850. Elsewhere, small experiment demand in front of today's results helped De La Rue improve 7 to 477p, while renewed speculative buying on bid hopes GEC drifted down to 398p on lifted Thermal Syndleate 4 more to laop, after laip. Press comment prompted a rise of 4 to 74n Central Manulacturing and Trading and further haying on consideration of the company's North Sea oil interests left Cawoods up 3 more at 213p. Jacksons Bourne End, in which Dawngrange and Rossmioster Holdings hold nearly 39 per cent of the equity, jumped 18 to 160p, while improvements of 8 and 9 respectively were seen in and 9 respectively were seen in Norman Hay, 64p. and Neil and Spencer, 196e. Still responding to an investment recommendation. Ricardo added 6 more to 342p. IAS Cargo, which recently announced that merger dis-cussions with a subsidiary of Trafaigar House's Cunard Steam Ship Company, improved 3 to 124p. J. Dykes fell 61 more to 37 p on further consideration

> last week's good rise ahead of the results and finished 5 lower The Leisure sector featcured Management Agency and Music which 6rmed 10 to 185p xd on renewed speculative interest.

the disappointing results. Valor

encountered profit-taking after

Lucas responded to the appearance of small buyers and improved 6 to 296p, while a favourable Press mention lifted Kwik-Fit 2 to 60 p. Among Garages, repewed speculative demand took Harold Perry up 7 to 166p out awaiting Thursday's interim results. T. Cowie eased

1 to 504p.
Poster concerns often hene 6ted from favourable weekend Press comment. More O'Ferrall put on 6 to 133p and Mills and Allen improved a couple of pence to 247p. Elsewoere. recently firm Saatchi and Saatchi

tomorrow's interim results, McCorquodale essed 2 to 130p.

Bernard Sunley put on 18 40 36fip as hid rumours revived, while a small country interest in a thin market prompted a gain of 15 to 130p in Carrington Investments. Elsewhere in the Property sector, Land Securities finished a penny cheaper as

sinished a penny cheaper at 306p xd, after 303p. Hammersen "A" relinquished 10 to \$40p and \$50ck Conversion cased 4 to \$74p. MEPC were quoted at 170p ex-all: the new nil paid shores opened at 17p premium and slipped at 17p premium and slipped to lap premium hefore settling at 15p premium. Oil shares continued to bene6t

from the recent fresh round of crude oil price rises. British Petroleum pushed shead further to close at the day's best of 1.168p, up 24p. Shell, however, were quoted ex the 100 per cent scrip issue, at 378p, down 3, with trade described as disappointing. Still reflecting the good first quarter results, Ultramar improved 8 more to 294p, and a still results of the 234p and Petroleum pushed ahead furthe Tricentrol gained 6 to 234p and Lasmo OPS rose 15 further to

Shippings traded firmly with Lofs particularly good at 48n, up 4. P and O Deferred improved to 101p and Ocean Transport a penny to 9a.p. while speculative demand was again fortb-coming for Hunting Gibson which advanced 15 further to

Textiles passed another un-interesting trading session, but fresh scattered support lifted Sirdar 2 to 114p, while the encouraging tepor of the annual statement left Tootal a penny dearer at 4ap.

Ahead of their respective pre-liminary statements due on Thursday. Galbrie hardened 2 more to 600p and Warren rose

Quiet Mines

Miniog markels began the week in subdued fashion. Interest in gold shares was minimal reflecting the 50 cents fall in the bullion price to \$275.125 an ounce, and the closure of Continental marketsthe source of much of the recent demand for Golds.

After being marked down at the outset prices held steady uotil the after-hours business wheo modest American support helped them edge higher. The helped them edge higher. The Gold Mines index gave up 1.0 to 194.3, while the ex-premium index lost 0.9 to 160.5.

adex lost 0.9 to 180.5.

South African Financials were

Angle American

NEW LOWS (29)

FINANCIAL TIMES STOCK INDICES 72.91 72.93 72.70 72.70 68.9 72.93 72.91 75.20 75.20 75.16 175.14 74.98 74.98 70.00 510.9 513.5 513.6 511.8 516.0 3064 474 194.3 195.3 196.3 189.5 197.6 187.4 184.1 160.5 161.4 162.9 185.9 169.5 191.0 108.7 187.8 6.78 5.79 5.80 5.25 5.84 5.5 18.26 15.27 15.30 15.63 15.48 16.76 16.76 16.39 8.39 8.37 8.22 8.30 8.14 Cald Minos Ex-5 pni: nrd. Div. Yield Earnings Yld. 🤼 ifuli P!E Ratio methic ... Total bargains 15.07? Equity turnover I'm. - 91.20 83.56 62.59, 62.94 14.26. _ 14,398 17,894 12,587; 13,380 12,363 IL N Equity bargains total. 10 am 509.5. 11 am 500.0. Noon 505.8. 1 pm 505.8. 2 pm 506.0. 2 pm 506.9. 2 pm 506.9. 2 pm 506.9. 1 pm 506.9. 2 pm 506.9. 2 pm 506.9. 1 pm Basis 100 Covt. Sacs. 15:10:25. Fined i 1/T/35. Gold Mines 12:9:35. Ex S premium SE Activity July-Ooe. 1942. HIGHS AND LOWS S.E. ACTIVITY High · Low 127.4 49.18 (3.136) 3.175 66.03 150.4 50.53 Gold Minos 197.6 | 129.5 | 442.5 | 43.5 | Gilt Edged | Industrials | 129.5 | 67.7 | 17.4 | 129.5 | 75.6 | 129.5 | 17.4 | 129.5 | 75 | 17.4 | 129.5 | 75 | 17.4 | 129.5 | 75 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 17.4 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 12

446p, but De Beers gained a further 6 to 427p. Coal stocks remained a strong market with new 1979 highs common to "Ameoal."; up at \$10;. Transvaat Consolidated Land.; firmer at \$19; and Rand Land. London, 2 better at 71p. London-registered Financials reflected the pressure on the UK equity market, although prices tended to raily lowards the cluse.

Gold Fields were the hardest hit

Norsi, Hvd: a STORES IS)
Greennelsia Staniev IA. C-1
Vantona

Hillards
INDUSTRIALS (11'
Rurns Anderson
Cawaods
Central Mig
Fergusan Inds.
IAS Cargo Air
Oa. ODEConv Prof.
Websters Publications
PROPERTY (31
Carrington Ind., Warner Estate

Carrington Inc.
County & District
Property County & District
Property County & Count

Guthrie Cerp. RUBRERS 11)

East Quantintein Angla-Am.
Vial Johnson Cold Fields
Libanan

Greenneist Staniev IA.
Greenneist Vantona
Home Charm Vantona
Moss Bros. ENGINEERING 131
Allen (E.) Ballour Whitehouse
Green's Economiser FOODS 111

with a 9 fall to 252p, after 25 while Charter and Rio Time 25 were both around 5 cheaper a Tanks were unaftered at 180 expected today.

Conzine Riolinlo slipped 5 to Kaiser Steel's 28.3 per rea interest in Hamersley, the latte

NEW HIGHS AND LOWS FOR 1979 The following securities quoted in Share (normation's Service wester attained new Highs and Lows for 19 NEW HIGHS (47) 80 HIGHINGS (4) 8 rown \$ Jackson Finlan (J.) 8 durnett & Hallomshore Notingham Brick CHEMICALS (1)

Wens Fargo
Decca "A"
ELECTRICALS 113 ENGINEERING (5)

duit: Ley's Founding
throp Richards (Ley's Highgate Optical Waddington (3.) FAPER 1() Civdesdale inv. "B" Haw Far Crescept Japan

RISES AND FALLS YESTERDAY

British Funds Corpns, Dom, and Foreign Bonds Industrials Financial and Prop. Duls Plantation Mines Indees Totals	9 262 54 17 6 32 43 43	305 176 2 305 176 3 55 43	70 63 846 286 18 18 55 50 7,378
			_

STOCK EXCHANGE BUSINESS LAST MONTH

Improvement in equities: gilt-edged decline

BY GEOFFREY FOSTER

fidence deteriorated on concern about inflationary and other economic pressures.

Business in all securities dropped by £2.2bn, or 15.8 per cent, on the month to £11.96bn. The total number of bargains transacted declined by 46.245 to 516,355 despite the fact that there were two more trading days in May than in April. The Financial Times Stock Exchange turnover index for All Securities fell from 435.5 in the previous month to 366.5 in May: the 197S monthly average was

A sharp contraction in gilt-edged business was responsible for the overall reduction in trade. Business volume in this market declined £1.8bn, or 17.4 per cent, to £8.6bn, the lowest since January's £7.6bn. A 25 per cent fall of £1.6bn to £4.6hn took place in short-dated stocks, while trade in the longer and medium-dated securities fell a mere 5 per cent to £3.78bn.

The number of gilt-edged hargains fell by 5,152 to 58,449 comprising a 3,179 fell to 37,634 in longer and medium-dated stocks and one of 1,973 to 20.815

The FT turnover index for British Government Securities fell from April's 440.9 to 364.1,

British Govt. and British Govt. Short dated (having five years or less to run)

Overseas Govt.: Provincial and municipal ...

sbaresOrdinary sbares

ence and preferred ordinary

Total

Short dated (having five years or less to run)

Category

about inflation, both at home and in the U.S. and other economic pressures which faced the Tory administration particularly regarding meeting its manifesto promise to cut both taxetion and Public spending.

The prospect of further institutional monies being drained by more equity rights issues (£250m of shareholders)

cash was called for in May making it the largest monthly figure for three years), interest rate uncertainties and nervousness shead of next Tuesday's Budget served to keep potential investors of the sidelines.

The FT Government Securities index, after touching a 1979 peak of 75.91 on May 4 following the Conservative's clection victory, drifted down steadily to close the month 2.43 points off at 72.91.

After April's 40 per cent reduction from the all-time peak of £3.74bn attained in March, equity turnover picked up last month by £0.02hn to £2.25hn. The number of bargains, however, decreased by 37.226 to a record \$275.625 an ounce. 414,756 hut the average value The FT Gold Mines index per hargain wss £505 dearer at jumped 45.9 points to end the

Value of ali

purchases

£m

12.6

158.4 2,254.6

TOTAL Stock Exchange turn- which compares with last year's ordinary sbares in May was over in May contracted as con- monthly average of 369.2. 402.3 compared with April's Gilt-edged prices, after a 397.7 and the all-time-peak of bright start, drifted lower 667.3 attained in March. during the month on concern Equity prices started May in

buoyant mood, reaching record levels in the first week in celebration of the expected Conservative victory. However, quotations drifted lower on persistent profit-taking and the general unwillingness of investors to commit themselves any further ahead of next Tuesday's Budget. Growing pressures on world

oil prices and supplies together with disappointing trading state ments from several leading companies and the steady stream of rights issues also served to depress sentiment.

After rising 20.5 points in April, the FT Industrial ordinary share index rose to an sil-time peak of 558.6 on May 4 before falling sway sharply to close May 8 net 37.3 points, or nearly 7 per cent, lower at 513.6.

Gold sbares moved to 1979 peak levels last month in sympathy with a fresh upsurge in the price of gold bullion which jumped over \$29 an ounce on the month to close at month at 196.3, after touching a

Average

100.388

100,913 60,738

9,399

5,066 5,438

valne per bargains

bargain per day

Average

1.792

105 298

64

19.750

The FT turnover index for 1979 peak of 197.6 on May 29.

of % of value bargains total per day

0.3

0.6

107.4

Nnmher

2,201 fi,251

1,337

31,278 414,756

ings	tion	ment			
	Aug. 23 Sep. 6		I		
4017 50	Och. O	och. ro	÷		

DEALING DATES Last Deal- Declara- Settle-Share Information Service

Engineering, R. and J. Pullmar, were reported.

B. and Q. (Retall), National Westminster Warrants, Downs Surgical, Fundinvest Capital Barker and Dobson, P & O Deferred, Consolidated Gold Fields, Pacific Copper, British Jun. 26 July 9 Sep. 20 Oct. 2 Land, Rossgill Holdings, Tate and Lyle, Cosalt, House of Fraser, Mining Supplies, Dorrington Investment, Charterhall Money was given for the call and Renwick Gronp. Puts were of Scottish and Newcastle, arranged in Marks and Spencer Vickers, Burmah Oil, Northern and ICI, but no double options

ACTIVE STOCKS No.

OPTIONS

	nomine-		Closing	Change	1979	1979
5 tock		aarks	Price (p)	on day	high	low
Shell Transport	25p	10	378xc	- 3	402	278
Tilling (Thos.)						
'New'	Nil/pd	. 10	4pm	– 1	7pm	4pm
Allen (E.) Balfour	25p	9	68	+ 5	69	50
Cons. Gold Fields	25p	9	252	- 9	268	178
Grand Met	50p	9	151	- 4	180.	112
NatWest Bank	£1	9	342	*****	406	278
BP	£1	8	1,168	± 24	1,238	882
Imperial Group	25p	8	93	+ 1	108	82
BATs Defd	25p	7.	270	- 5	337	250
Coalite & Chem.	25p	7	82xd	+ 1	83	62
Courtaulds	25p	7	104xd	— 1½	122	102
GEC	25p	7	403	⊢ 3 ⁻	456	311
GKN	£1	7	232		308	226
Simon Eng. 'New'	Nil/pd	. 7	25 pm	5	30pm	. 25pm
Ultremar	25p	7	294	+8	318	210

RECENT ISSUES

EQUITIES

Price	High Data 1	979 Low	Stock	Glosing Prico 7-120	Anount Times	Groso Yield P.E.
e0 F.P §115 F.P §1 F.P •• F.P	201	13712 ##Bak 4112 Bank 61 Fulcru	(Retalli 5p er (John) Bridgo 10p Im inv. tncomo Capital 2½p.	41½ 58	56.0	3.0 17.8 8.7 — 11.5 —

FIXED INTEREST STOCKS

Prios Prios Prios Pald up Pald up Ronuno Date	1978 H 8h Low	Stock	Closing Price	+ or
100 £10,30:8 100 F.P. 11/5	12 1154 1181 ₂ 108	Haw'rd Wyndh'm 9% Cnv. Cum. Red. Pri. Portsmouth Water 8% Red. Prf. 1984 Slough Ests. 8% Cnv. 1881-84 York Water 12% Deb 1986	1134	 + 1

"RIGHTS" OFFERS

Isauo Price p:	Ans'unt Paid up	Inte		Renunc. 1978		8tock	Closing prions pt	+-0
185 20 2e1 ₂ 26 12 154 34 85 20 118 118 265 20 456 138 17e 93 20	F.P. F.P. NII F.P. NII F.P. NII F.P. NII F.P. NII F.P.	24:4 11:6 15:6 27:4 15:6 4:6 18:5 7:6	13/7	254 361 ₉ 26pm 161 ₂ 17pm e9 eepm 14pm 126 21pm e0pm 32 epm 607	150m 14 16pm 48 18pm 9pm 118 16pm 27pm 27pm 487 4pm 810 7pm	Beatson Clark. Srent Chemicals Joavia & Metcaifo 'A' Edwards (Louis C.) Hampton Trust MEPC Norfolk Cap. Hotels. Provincial Laundries. Provincial Laundries. Provincial Laundries. Simon Engineering. Simon Engineering. Simon Holdings Smurfit Jefforson: Standerd Chartered Bank. Tilling Thomas! Tricentrol. UIS. Weeks Associates.	836 32 21pm 141, 16pm 50 34pm 120 16pm 8epm 28 2pm 488 4pm 488	+2 -5 -2 -2 -1 +2 -1

Renuncistion date usually lest day for dealing tree of atamp duty. b Figures based on prospectue settimate. 9 Assumed dividend and visid. a Foracast dividend: cover based an previous year's somings. F Dividend and yield based on prospectue or other efficiel assumeds. F Dividend and yield based on prospectue or other efficiel assumeds. Cover allows for conversion of shares not now ranking for dividend at ranking only for restricted dividends. § Piscing price to qualic. # Pence unless atherwise indicated. \$ Issued by tender. || Offered to holders of ordinary shares as a "rights." || Issued by tender. || Offered to holders of ordinary shares as a "rights." || Issued by way at capitalisation. \$ \$ Rointroduced. This stude to connection with reorganization, merger or takesvoc. || Introduction. || Issued to former preference holders. || Alletment letters (or fully-paid). || Proviological er partly-paid ollotment letters. || With warrants. || Unlisted security. || Issued as units comprising 2 Income shame and 10 Capitel shares at 125p ger units.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

				ar	d the	Faculty	of Act	uaries					
EQUITY GROUPS					fon.,	June	4, 197	Fri., June 1	Thurs., May 31	Wed, May 30	Tues, May 29	Yea age (appro	
Flo	& SUB-SECT	ber of	Index	Day's	Est. Earning Yield 9	Grass Div.	Est. P/E Ratio	Index	Index	Index	Index	Irov	
	stocks per sec			No.	Change %	(Max.)		(Net)	No.	No.	No.	No.	Fig.
1	CAPITAL 60005 (1	72)		266.01	-0.2	15.98	5.26	8.19	266.61	265.90	265.69	266,38	214
2	Building Materials (2 Contracting, Construc	7)		249.55	-0.2	16.06		8.32	250.15	249.01	248.15	245,16	190 346
4	Electricals (14)	1001 (26).		638 49	-0.3 -0.4	22.08 12.18		5.70 11.27	406.62 631.15	402.38 642.04	402.39 642.51	402.34 647.92	450
5	Engineering Contract	ors (12)		396.12	-0.4	18.30		7.00	397.61	397.32	396.74	396.83	311
6	Mechanical Engineeri	ing (75)			—	16.74		7.76	197.57	196.79	196,48	197.35	17
8	Metals and Metal For CONSUMER 6000:			180.92	-	17.74	8.60	7.08	180.99	180.72	180.97	180.53	163
11	(OURABLE) (52)			246.35	i _	14.22	4.43	9.31	246,47	246.17	246.23	247.97	15
12	LL Electronics, Radio	LTV(16)		333.53	+0.1	11.07		12.73	333.06	333.04	334.05	335.05	229
13 14	Household Goods (12) Motors and Distributo) (24)		172,69 128,03	-1.2	16.18		8.28	174.82	173.89	173,31	172.99	177
	CONSUMER GOODS			120.05	-02	20.70	6.59	5.96	128.30	127.92	127.27	127.93	120
21	(NON-DURABLE) (1	71)		246.83	-1.0	15.12		8.54	249.23	248.29	247.23	248.26	282
22 23	Breweries (14) Wines and Spirits (6)	*********		284.52	-0.6	13.85		9.24	286.30	285,51	284.98	286.08	234
23 24	Entertainment, Cateri	ing (17)		327.15	-0.8	15.42 14.54		9.45 9.15	307.13 333.14	308.31 334.52	307.30	309.18	251
25	Food Manufacturing (19)]	224.89	+0.1	17.38		7.35	224.68	223.97	327.31 224.69	226.18	155
26	Food Retailing (15)			302.16	-0.5	10.96	3.98	12.08	303.60	303.02	300.84	301.13	131
32 33	Newspapers, Publishi Packaging and Paper	ng (12) /15\			-1.1	20.44		6.93	460.14	459.91	461.60	461.75	170
34	Stores (41)		1	144.83 251.07	-13	20.13		6.35	146.23 254.50	145.13	144.65	144.06 250.07	III
35	Textlles(23)		- 1	178.09	-2.0	19.58		6.66	181.79	251.97 180.91	249.73 181.28	181.80	300
36	Tobaccos (3)			245.75	-0.9	23.15	8.37	4.96	247.87	248,74	250,83	252.29	255
37 11	Toys and Games (6) OTHER GROUPS 199			76.83 215.21	-0.6	29.84		4.05	77.27	77.43	77.21	77.31	100
42	Chemicals (18)		1	303.91	+0.3	14.92		8.36 6.97	215,40	215.18	21521	216.17 302.06	개
43	Pharmaceutical Produ	ucts (7)		232.17	-0.2	11.84		10.52	232.70	233.24	301.86 233.90	231.74	1 25
44 45	Office Equipment (6) Shipping (10)	•		128.01	-0.9	16.01	,	7.8B	129.15	129.14	12919	12918	13
46	Miscellaneous (58)		,	478.35 255.95	+0.7	9.87 15.47		13.72 8.54	474.81	472.68	474.10	470.92	101
49	INDUSTRIAL GOOD	P(AQA)		251.45	-0.5	15.22		8.46	256.98	256.10 252.05	256.53 251.54	257.24 252.44	12
51	Oils(6) 500 SHARE INDEX			666.10	+0.7	11.84		8.98	661.58	647.42	648.64	653.76	1
59	500 SHARE INDEX.			285.15	-03	14.64	5.07	8.54	286.01	284.34	283.95	285,17	20
61 62	FINANCIAL GROUP Banks(6)	(1151		199.04	0.6		5.32	=	200.20	261.88	201.99	202.22	10
63	Discount Houses (10).			235.93 248.72	-0.6 +3.1	28.23	5.14 7.70	4.58	237.25	242,24 241,26	238.74	232,68 241,58	塔
64	Hire Purchase (5)			188 35	-20	17.64		7.30	192.14	194.74	242.69 194.86	192.77	1.3
65 66	Insurance (Life) (10). Insurance (Composite	7 (8)	{	163.43	-0.7 -0.3	l -	6.50	(-	264.58	164.92	166.57	168.11	137
67	i Insurance Brokers (10	3)	}	293 73	-0.5	17.17	7.00 6.53	8.36	135.22 294.57	137,11	137.86	139.51	12
68	Merchant Banks (14).		t	100.73	-0.5	l —	5.29		101.20	294 <i>5</i> 7 101.37	296.01 101.54	295.71 101.22	1
69 70	Property (42) Miscellaneous (10)			353.66	-1.1	3.12		49.11	357.43	356.05	358.57	357.32	Z)
77	Investment Trusts (11	11		221.67	-0.9	14.56		8.84	128.02	127.98	128.92	128.11	201
81	Mining Finance (4)			135.69	-2.3	14.71	5.80	8.26	223.64 138.95	223.07 138.36	224.65 138.38	224.71 140.52	100
91	Overseas Traders (20) ALL-SHARE INDEX			362.57	-0.5	14.29	6.97	8,79	364.48	363.63	364.78	363.81	330
77	ALL-SHARE INDEX	17507	/	260.97	-0.4	1	5.18		262.09	261.27	261.16	262,10	75
	FIXED INT	EREST P	RICE	NINCES	5			XED INT	DS		Mon., June	Fri., June	YES
								50VL AV.	Gross Red	. [4	. 1	(3)
	British Government	Mon.,	Dzy's		м]. ж	adj. 979	1 Low 2 Couper		5 years		9.91	9.80	71
	Stiffel government	June 4	chang %	e tod	ay 10	date	3	-	15 years 25 years		10.87 11.27	10.80 11.27	11
_	1111111111111111	30/ 50	-				4 Meditur		5 years		22.60	11.39	11.
1	Under 5 years	106.53	-0.19	1	- 1	3.90	5 Coupen	-	15 years		12.08	11.96	17
2	5-15 years	119.03	-556	• -	-	- 1	6		25 years		12.09	1211	_12
3	Over 15 years	124.95	-	-	.	531	7 High 8 Coupon		5 years 15 years		11.77	11.70	ı,
4	trredeemables	231.90	-	1 -	-	6.30	9		25 years		12.32	12.30	23/
5	All stocks	115.99	-0.19	<u> </u>	<u>. l</u>	431 1	0 Irredeemables				22.08	22.08	12
												•	
	1			Mon	june 4	Fri.	1	1	1		Ι.		
			.			Jung	Thurs.		Tues.	Fri. May	Thurs.	Wad May	761 30
			- [No.	Yield	1	May 31	Мау 30	May 29	25	May e4	23	te pp
							-	'	<u> </u>		1	<u>, , , , , , , , , , , , , , , , , , , </u>	
۱5	20-yr. Red. Deb &			60.22	12.33	60.50	60.31	60.31	60.77	60.77	61.02	61.02	57
16	Investment Trust	Prefs.	(15)	52.41	13.40	62.21	52.57	52.57	62.35		52.39	52.39	52
-1	Coml. and Indl.	Drofe			12.68	74.03		_	· · · · · · · · · · · · · · · · · · ·) 92.39	02.03	
17	Committee and mail	rieis.	(2011	73.96	12.00	/4 II ~	74,29	74.28	75.06	74.01	' ·		πíĴ

17 Coml. and Indl. Prefs. (20) 73.95 12.68 74.03 74.29 74.28 75.06

Calcutta port investment

Calcutta Port Trust Authorities, spread over the next five years.

As the first phase of this prograoime, the Port Trust Authoproportion of cranes, locomotives and machine shop equipment which are considered handled 11m tonnes but subse-

Some of the new equipment trouble inadequate draught in a large part of the port equipmay bave to be imported since the Hooghly river and the ment immediately.

A Rs 1hn (£60m) modernisa- replacements are needed im- obsolete character of a fair part

cope with the volume. gether will need to handle cargo traffic of at least 11m

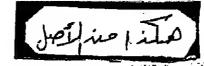
1.3 18.8

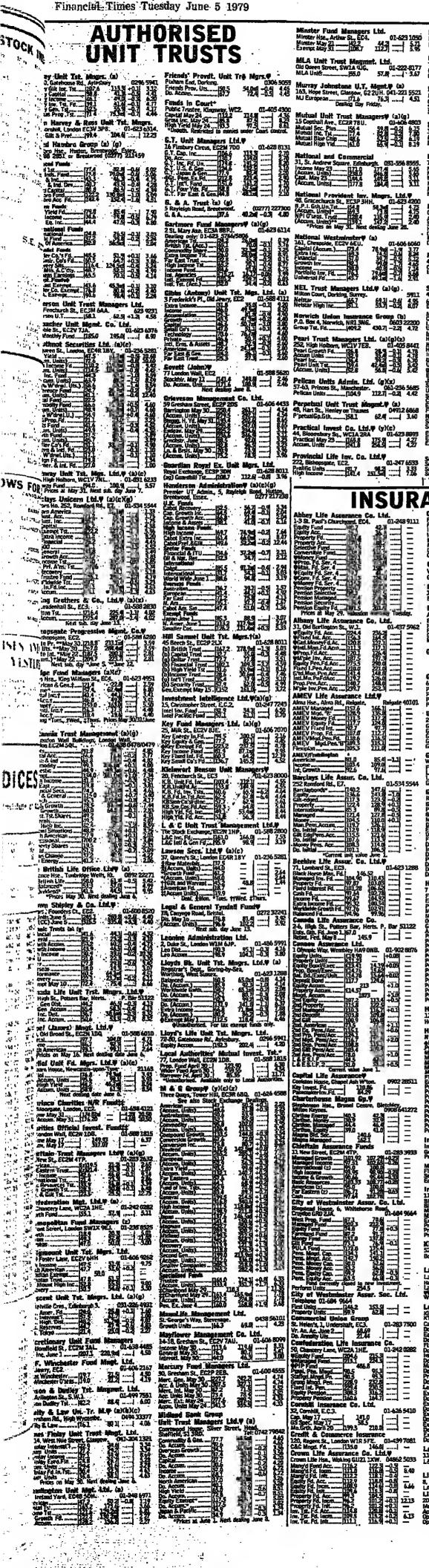
tonnes in 1978-79.

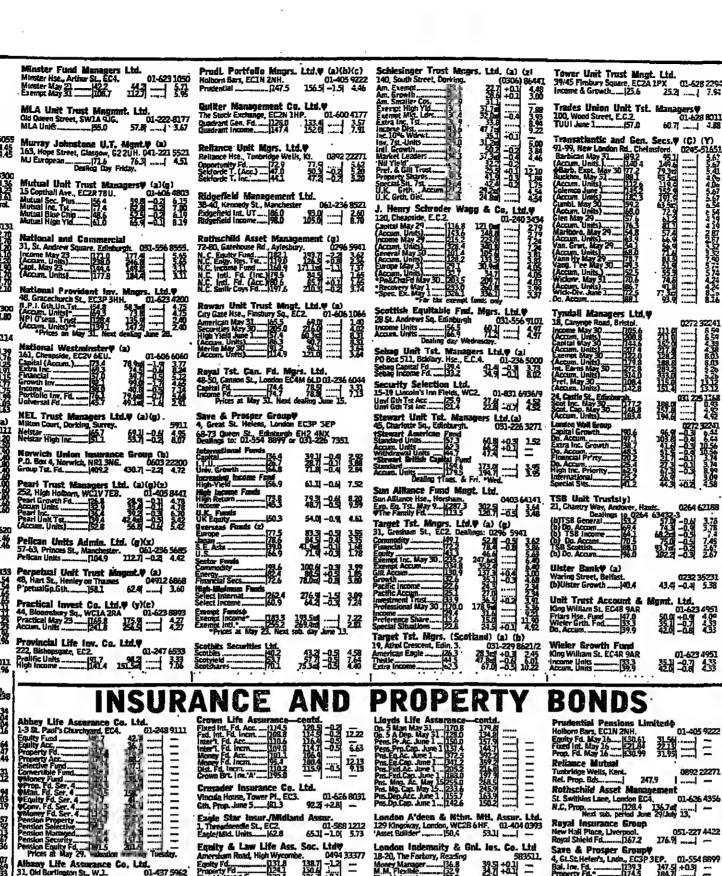
tion plan has been drawn up by mediately and there may not be of the equipment, the traffic Calcutta Port Trust Authori-Commissioning of the Haldia The port authorities expect auxiliary port has improved the that Calcutta and Haldia to total cargo handling capacity total cargo handling capacity hut only by about 1m tonnes. To get to the level of 11m titics propose to replace a large tonnes this year as against 8m tonnes substantial modernisation of the facilities of Calcutts Calcutta Port has in the past port are immediately needed.

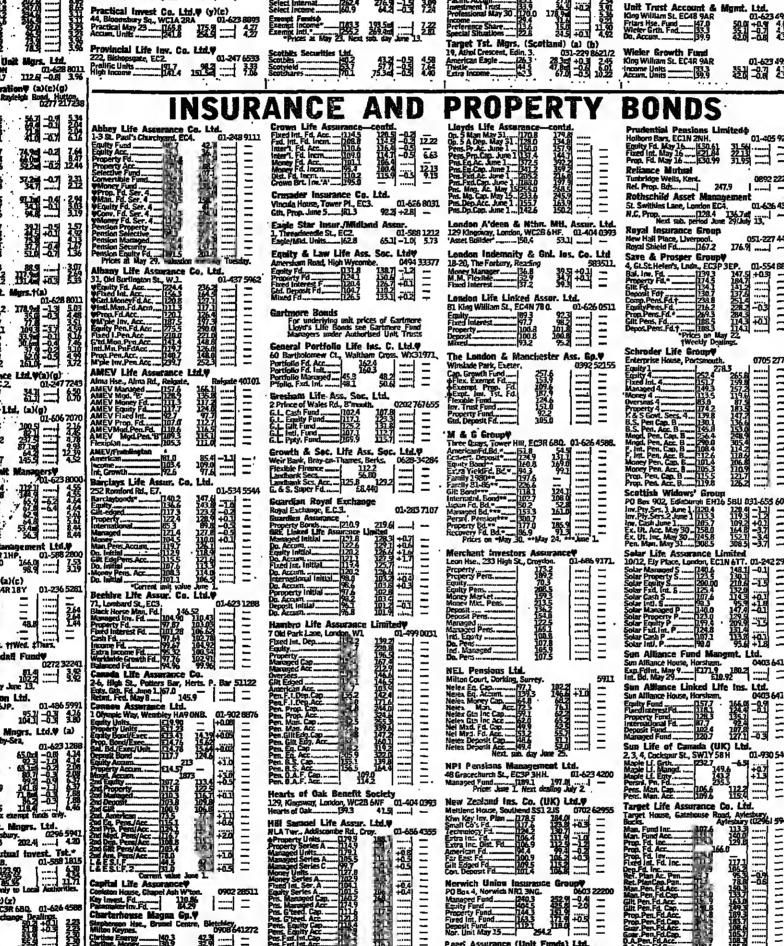
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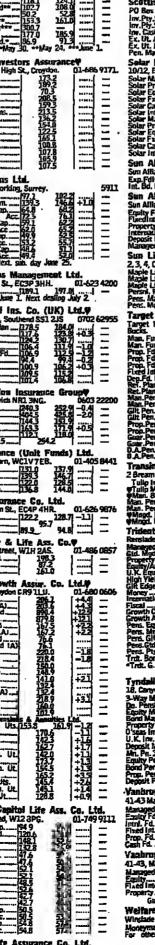
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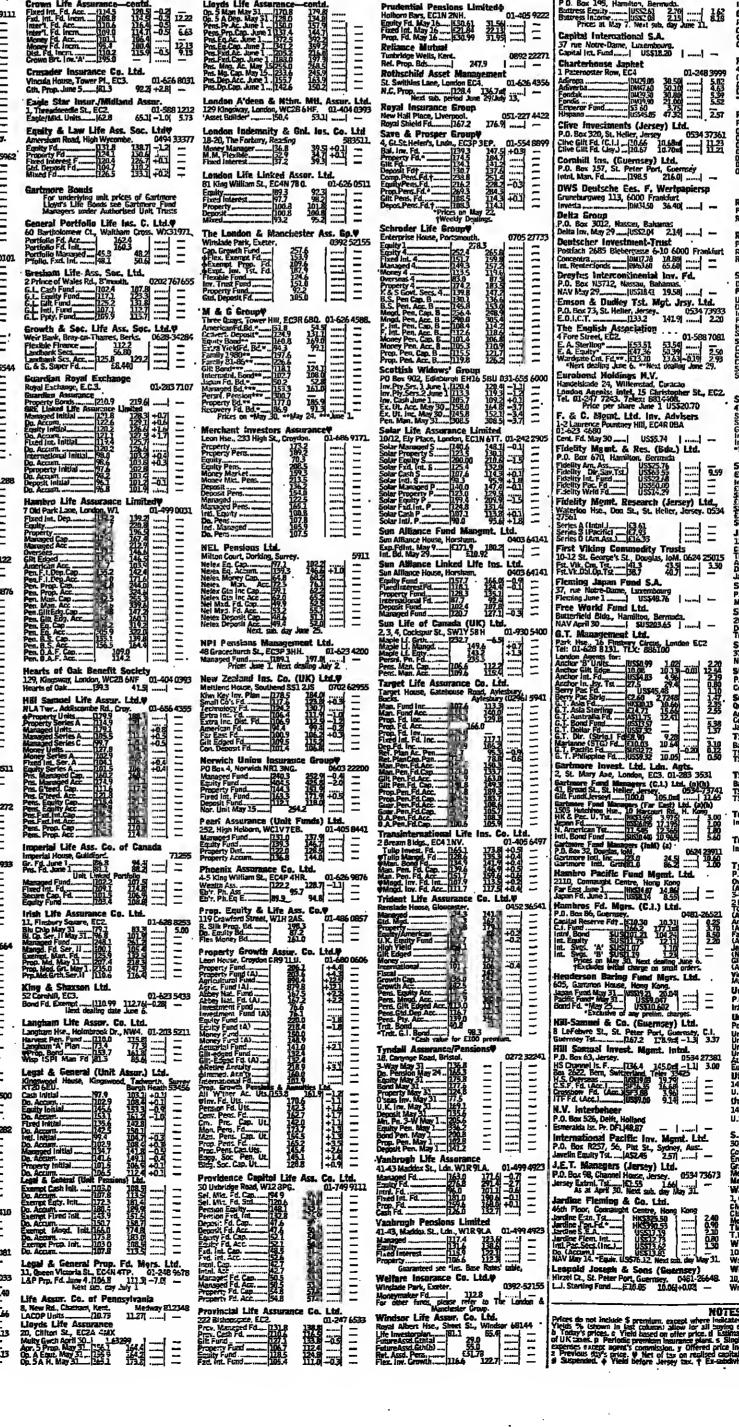












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NOTES

Prices do not include \$ premium, except where indicated \$\phi\$, and are in pence unless otherwise indicate \(\text{Yelds} \). Subject town in last column, allow for all buying expenses, a Offered prices include all expenses to Today's prices, a Virted based on other price, at lastinated, in Today's one-loop prices, be Distribution for of UK cases, in Partodic premium insurance plans, s. Single premium insurance, a Offered price includes all expenses to bought through manager expenses agents commission, y Offered price includes all expenses to bought through manager appreciate \$\frac{1}{2}\text{Yell} \text{ price.} \$\text{ Net of its on realised capital gains unless indicated by \$\phi\$. \$ \frac{1}{2}\text{ Euernsey gray } \$\frac{1}{2}\text{ Supplement.} \$\text{ \$\frac{1}{2}\text{ Virtual Prices } \$\text{ Euernsey gray } \$\frac{1}{2}\text{ Euernsey } \$\frac{1}{2}\text{ Euernsey gray } \$\frac{1}{2}\text{ Euernsey } \$\frac{1}{2}\text{ Euernsey

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54 413 Tressury 5-pc 108-124 507 11-10 11-38 704 11-50	297. 2112 UP.d. Tech. 509 197. 123. U.5. Steel 51 177. 13 Woolworths 53 4412 523. Xerox Corp. 53 113. 775p Zapata Corp. 2 S.E. List Premium 21 Convenient 4	13 +4 51.6 142 -4 51.6 345 mi +1 52.4 5c. 104 -1 30		341; 282; Beechwood 10p 90° 76 Bellway	34 1183 1.4 90 66.5 2.70 24 203 3.4 55 10.9 3.3 67.4 4.26 2.6 322 10.43 3.1	80 13.6 204 10.1 4.5 190 1 7.2 6.1 55 5.2 87 138 9.5 6.1 312	Liberty	195 d5.22 177 d3.22 51 3.9 42 3.6 134 -4 d00.74 28 ¹ ₂ 0.75	53 2516.7 55 27 9.7 5 1.2 1.4 2.9 1.2 1.2 1.5 1.	58 104 Hall Eng 83 203 Hall Mai 56 111 Hall te 5 17 121 Hampson 20 18 Harde M 78 194 Hawker 83 62 Hawton	thew 267 -1 0p 2111 -2 150 - 1212 - 134 lachy 222 - 2	1 1,79 9,9 5,2 6,5 1 8,48 3,8 4,7 7,5 2 6,5 5 2,9 9,0 5,7 1,0 1,5 3,9 5,9 3,1 3,4 5,5 3,1 3,4 5,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5	100 64 63 148 148 128 125 275 124 95	Sentima Serisfords Serisfords Serisfords Sestobell Sibby (J.) 11	71.74 17 2.89 14 +1 3.33 16	25 50024 43 44 18 34 72 35 19 8603 63 34 55 0 106 0
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INTERNATIONAL BANK 85 80	15% 12% Sow Valley 25% 10% Brascan 19% 12% Can, Imp. 8L S. 16% 13% Can, Pacific \$5 33% 28 Do. 4pc Deb. £ 26% 21% Culf Oil Can, 690p 490p Hawker Sid. Ca	12 -1	035 0 - 035 1229 0 - 1229	365 215 Burnett & H 186 169 Burt Boulton £1 46 33 C. Robey 'A' 10p . 29 20 Cal'nder (681 10p 65 53 Garr (John) 60 Carron	365 +5 10289 127 1851,	1.2 8.4 190 1 8.2 6.9 134 6.5 6 97 7.6 8.5 163 1 2.5 7.1 20 6.8 9 78	32 Mothercare 10p NSS News 10p NSS News 10p NSS News 10p Nith Goldsmith OWEN OWEN NITH OWEN NITH OWEN OWEN NITH OWEN NI	180 3.29 126 +1 †2.37 96 3.19 15 3.19 70rd +1 2 1.89	3.6 27153 5.8 28 7.6 1 2.6 3.1195 4.2 4.1 8.6 - 4.0 4.1	5342 Jackson & 1865	Carten, 100 & Firth 61 up 10p . 54 ipman . 178 +2	3.68 2.8 3.0 9.9 1.01 4.8 3.0 9.9 1 476 1.711.6463 2. 6.4 3.7 5.5 7.3 2. 2.98 3.7 4.5 6.4	238 184 E211-2 16-2 E2 209 171 E 78 66 E 66 43 E	Boot (Herry) 50p 12 Boots 28 Bory-W. USS2.50. 13 Braby Lestie 10p. 14 Braby Lestie 10p. 14 Brammer (H,120p 14	22 - 25 20 - 60 0 - 10 0020 16 - 10.83 14 88 25 - 13.53	19 87 74 29 98 39
CORPORATION LOANS 9612 8913 [Birm'ham 9540c 79-81.] 9513 [954] 11.61 925 8515 [Bristel 7340c 79-81.] 9134 845 11.71 10312 954 C.L.C. 12120c 782	267 ₃ 20 Hollinger S5 175 ₃ 111 ₄ Huoson's Bay II 385 ₄ 29 Hud. 8.0II C. S 17 131 ₂ Imperial 0 III 725 ₉ 580 ₉ 1 ₃ I Nat. Gas S1	20 \$52.2 1334 - \(\lambda\) \(\phi \) \	20 - 4.6 10 - 2.6 0 - 2.7 1.3 - 1.3 - 5.1	41 30 Comben Go, 10p. 226 144 Costain Group 172 104 Do. Defd 80 45 Countryside 5p. 136 107 Crouch (0.1 20p 88 62 Crouch Group	40 N2.4 2.0 188 u6.0 6.2 138 u6.0 6.2 79 -1 u2.68 2.5 133 d4.4 3.0 80 12.98 2.0	9.0(7.6) 13 4.8 4.7 114 5.1(9.0) 1442 4.9(0.1) 145 5.6(0.7) 142	71 Folly Peck 5p 72 Preecy Clifred 91 Pulman R. & J. 5p 10 Ramar Test. 5p 61 Rathers 10p 8312 Raybeck 10p	101 ₂ +1 ₂ 2 102 286 118 +1 667 101 ₂ 030 83 -2 1235 123 -1 1338	3.9 42 7.2 2.0 84(7.9) 3.6 4.3(7.4) 13.0 4.211.7 3.1 4.111.5	70 52 Lake & E 56 41 Lane (Per 25 20 Lee (Arth 53 42 Ley's For 35 31 Linread, 71 63 Lloyd (F. 18 Locker (rcy 10p 51 ur 121 ₂ 221 ₃ undries 42x1 - 1 32 64	13.9 2.4 9.2 6.9 13.31 0.3 9.7 3.7 15.4 2.3 10.2 5.2 14.3 11 15.3 8.8 2.5 2.1 1.7 5.1 2.5 2.1 1.7 5.1 2.6 2.1 1.7 5.1	20 10 ¹ 2 8 14 913 8 139 100 8 39 31 8 105 45 8 82 60 6	Brengrees 10p. 11 Bridgend Proc Sp. 12 Bridgend Proc Sp. 13 Bridgent G 20p. 13 Bridgent G	19 +12 P0.2 10	10 16218 18 74 89 19 87 92 37 47 84 27 28198
95 994 Herit. Stept 73-80 942 15.54 11.02 98 86 Liverpool 94pt 80-84 9212 11.57 11.02 9214 10.3 3-pt (rred	800p 610p Massey Fero. 202p 126p Place Gas \$1 264 154 Royal Bi, Can. 1 264 194 Royal Bi, Can. 1 224 184 Seagram Co. C 144 104 Tor. Dom. Bi, \$ 112 990p Trans Can. Pipp	138p +2 - 15½ +½ 51.5 19½ -5 52.2 18,2 d +4 51.1 1. 1834 -5 51.2	- 40 - 47 - 47 - 47	88 74 Douglas Root, M. 134 110 O'vening G.H. 50p 122 104 Erith Erith 14 10 F.P.A. Corst'n. 89 60 Fairclough Cons. 38 27 Feb. Intl. 10p 37 25 Do. 'A' 10p	76	6.8 45 57/2 6.7 5.0 152 8.2 \$\phi\$ 57 7.1 5.2 23/2 8.8 6.7 240 1	27 Rosqill 5p	22 - 1 1 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3.4 4.1 10.5 1 - 3.7 3.4 19 - 5.2 19 - 4.1 6 19	864 1512 Do. 'A' 98 Lordon & 90 143 M.L. Hol 14 48 Mangan 1 14 183 Martonai 20 89 McKechni	50 1712 Mid'd 115 +1 dings 184 Bronze 48 r 200 212 -2	3.0 7.5 6.7 16.75 3.1 8.3 7.7 16.0 3.8 4.912.6 10.57 6.5 2.8 10.57 6.5 2.8 10.548 3.0 3.913.1 10.553 2.9 7.2 7.1	65 517 6 152 66 8 179 19 8 745 604 8 34 45 8	rit. Steel Corst	3m 332 5 -1 62.22 15 +5 62.35 17 -3 33.7	3.9 7.9(47) 8.7 2.7 5.6 2.011.7 4.0 1.0 2.5 3.2 2.010.6 6.2
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FINANCIALTIMES

Tuesday June 5 1979



Italy Communists face setback

EARLY RESULTS in the Italian general election appeared to show last night a sethack for the Communists, the largest Communist Party in the West.

The party's fall could be between 3 and 4 per cent, according to computer projections, lowering its support in the Chamber of Deputies from 34.4 per cent in 1976 to just over 30

This would be the first reversel for the Communists after 30 years of practically uninterrupted electoral advances. It could elso be particularly significant because the party effectively brought on the premature general election by demanding direct participation in Government.

As for the Cbristian Democrats, computer forecasts indicated that the ruling party's performance was perheps slightly worse than in the past foor general elections.

Projections suggested a possible drop of just under one point from the 38.7 per cent the party geined in the Cham-ber in 1976, while there seems

no relevant shift in its position Though turnout et the polls.

90.1 per cent was exceptionally high by European standards, it was the lowest turnout in an Italian General Election since

1946.
This seemingly confirmed a sense of disillusionment about the country's main political parties. The voters appear to have turned again toward the smaller lay parties like the Social Democrets, the Republicans and the Liberals.

In so doing, Italians seem to bave reversed the trend which emerged in the last General Election of a radical polarisa-tion of political life hetween the Christian Democrats and the mmunists.

The small and unconventional Left-wing Human Rights Radical Party also appeared to heve made headway at the expense of the Communists. Computer forecasts did not indicate a breakthrough by the Redicals, who were expected to edvance by shout 2 points to around 3.3

per cent. While the emphasis here last

Communist sethack, the process of forming e Government, never easy in Italy, will still effec-tively depend on them. They bave clearly not heen given the popular mandate they sought for entry into Government. Though earlier forecasts of

possible major advances by the Christian Democrats bave not materialised so far, the first Communist reversal in a General Election is bound to have psychological cussions on the party. reper-

Communist officials write community of means were claiming last night that the party clearly had major difficulties in advancing on this occasion after its considerable gains in the last General Election, the setback is not theless likely to lead eventually to a challenge to the leadership of Signor Enrico Berlinguer, the party secretary.

Berlinguer has been dentified with the party's long-cherished policy of the Compromesso Storico, or grand alliance of all democratic forces, which would have hrought the communists

eventually into Government, oil Italian governing formula of which he unveiled at the the late and charismatic Chris which he unveiled at the celebrated Milan Congress in March 1972 This policy has never been

fully accepted in the party's central committees. If the final results confirm the early trends, it seems Sig. Berlinguer's critics will inevitably advance a harder "revolutionary" policy for the party. So far, the Communists have indicated that they would tray in Concention is they were stay in Opposition if they were not directly included in any

Government

The question now is whet approach the Communist Party intends to take should it effectively go into Opposition, or whether it is still prepared to reach a compromise with the Christlan Democrats and the other parties

other parties.

Although all the smaller lay parties appeared to beve advanced, the Socialists, Italy'a third largest party, seemingly mede little headway; remaining et around the 9.6 per cent mark of the last Canada Westien. of the last General Election. would have The early trend suggests thet communists there could be a return to the

oil Italian governing formula of the late and charismatic Christian Democratic leader Sig. Alcide de Gasperi, which saw his party sharing government with the smaller lay parties.

A new Parliament, Italy's eighth since the war, will be convened on June 20 to elect new Presidents of the Senate an dof the Chamber of Deputies, and Sig. Giulio Andreotti will formally resign as caretaker Prime Miinster shortly afterwards.

wards. President Sandro Pertini will then start consultations with political party leaders and ask one of them to form a Govern-

This is likely to be a particularly laborious process as the Christian Democrats are keen to avoid a Communist return into Opposition, but clearly will con-tinue to reject firmly their direct entry into Government. Sig. Andreotti has suggested that were it possible to find a governing formula quickly, his caretaker administration could act es a "bridge Government" until a more stable solution was

THE LEX COLUMN

Airways victory roll costs 3p

Next week's Budget looms, but the gilt-edged market has to cross several foothills first Today's banking figures by all accounts are going to be had accounts are going to be had with estimates ranging between 1 and 2 per cent growth in eligible liabilities. The authorities sold over £1bn of gilts during the May banking month but public sector horrowing was fairly buoyant as was bank lending, apparently. However, the clearing hanks' experience may not be truical of the hanking not be typical of the banking community as a whole. The long ewaitad trade figures—now scheduled for Friday—may also test the market's nerves if they are as poor as some brokers are

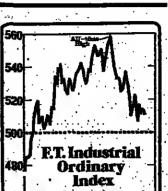
Debenture Corp.

Friday's long drawn out dis-cussions between the Airways Pension Scheme and the Debenture Corporation turn out to have been a battle over small change. The price of the Debenchange. The price of the Deben-ture Board's capitulation is around 3 per cent extra on the bid, which is better than noth-ing but hardly enough to distract the investment trust sector from its preoccupation with metters like a dreary Wall Street and a problematic invest-ment currency premium. With the UK market looking soft ahead of the Budget, the imment in the formula-from 100 to 102 per cent of net asset value as redefined to include
1.2p a share of breakup costs
—might prove less important
than the introduction of a
minimum price of 100p. The
formula is now indicating that figure, so shareholders in the Debenture Corporation are effectively protected against any downside risks in the next few

By yesterday the Airways Scheme had collected 59 per cent of Debenture under the original bid, and could beve original bid, and could heve shaken out some more holders by setting a time limit. But thet would probably have still left it with less than 90 per cent, and it would have shared the plight of the Cdal Board funds which have not been able to assimilate the 82 per cent owned British Investment Trust after a takeover tussle 18 months are. A recommendation months ago. A recommendation by the Debenture Board there-fore had a cash value, but not enough to achieve the Board's stated target of e premium over the going concern net asset weakened Dunford value (about 4 per cent more and Brown Bayley.

investment trusts has now been

Index fell 2.6 to 510.9



1979 Indeed, the airy calculation was being made yesterday that £200m had been added to the

value of the movement. RIP Debenture Corporation your sacrifice was not in vain. Aurora/EAB

To judge by the ease with which Aurora Holdings' advisers picked up 25 per cent of Edgar Allen, Balfour shares in the market yesterday morning, Aurora's £13.8m bld for EAB is virtually bome and dry. Hed t been willing to take its holding above the 30 per cent level at which a cash offer would bave become unconditional, Aurora could probably have picked up another 10 per cent

If all does go well, Aurora's tactics will look smart. There has been enough speculative money in EAB shares waiting for this very bld to enable Aurora to make a final take-itor-leave-it offer only slightly above the market price. With no other bidder in sight it bard not to accept.

The bid appears to make industrial sense: there should be scale, on the special steels side, savings on distribution and warehousing and some integra-tion in cutting tools. But Aurora will have to work hard to avoid the pitfalls that have turned other Sheffield mergers sour— the labour troubles that heve dogged Edgar Allen itself since it acquired Balfour Darwins, or the overstretching that weakened Dunford and Elliott

In so far as the deal sets a an employer, and is promising precedent the going rate for no compulsory redundancies, pension fund takeovers of But its balance sheet is going to be stretched again, just after

would take Aurora's net deht to over 80 per cent of sharebolders' funds—yesterday it was buying shares for cash, and EAB is a highly-geared com-

Against this Aurora claims that EAB's working capital alone could be trimmed by fam. The present profits out-look, makes this sort of cash control indispensable. Aurora has forecast a difficult year, while EAB, though it should now he recovering, has just an-nounced a loss; forging a new special steels husiness may he a worthwhile long-term project, bnt Aurora shareholders could be in for a bumpy ride.

Daily bargains

From today, the Financial Times will be publishing a much more reliable guide to the daily level of Stock Exchange daily level of Stock Exchange activity than was possible under the antiquated system of counting the number of hargains marked each day. The trouble with that method is thet it is not compulsory for dealers to mark every deal. The busier they become, the less inclined they become, the less inclined they are to mark each transaction. These days, the figure for hargains marked probably represents less than 30 per cent of total deals.

As from yesterday, however, the Stock Exchange is compiling each afternoon a figure for the total number of bergains in all securities—gilts and equities— transacted up to 3.30. From thet, it will be possible to get a very rough idee of the total value of the day's husiness. With the gilt-edged market asleep, the average bargain recently has been something like £25,000. Yesterday's total was 16,077. aod conditions were

This is probably about as far as the Stock Exchange is likely ing. Any move towards a ticker system, U.S. style, would be hotly opposed by the jobbers on the grounds that it would give their customers a chance to work out their positions in par-

Sealink fares to increase

THE SEALINK ferry service and Isle of Wight routes and vehicle surcharges on some of its Southern Irish routes.

The company said increases were necessibecsuse of "sbarp rises" raised by about 2 per cent (the strain of the Osborn increases were necessary Airways deduction of breakup costs, such as compensation for by selling Osborn's South operating costs. They will the managers John Govett, was always on the mean side).

for Edgar Allen **Balfour**

AURORA HOLDINGS, the fast-growing Sheffield specialist engineering group, has bid for another Sheffield special steels company just e year after its successful takeover of Samuel

Yesterday It announced a £13.8m surprise bid for Edgar Allen Balfour after a lightning raid in the stockmarket which left Aurora with just under 30 per cent of the sbares.

N. M. Rothschild, Aurora's advisers, are underwriting a 69.55p cash offer for each Balfour share and this is to be sub-underwritten by seven institutions.

There is also a share alternative of 50 84 per cent convertible cumulative redeemable £1 preference shares plus 23 ordinary shares in Aurora for every 100 Balfour shares. On yesterday's closing price for Aurora—down 3p to 87p—this is worth 70p per sbare if the preference sbares are valued et

Mr. Robert Atkinson, chairman of Aurora, claims signifi-cant industrial logic for the bid. The tool, valve, high speed and stainless steel har sector of the UK special steels industry is fragmented and this bas permitted importers to grah 40 per cent of the market, be says.

Between them, Osborn and Balfour, which bave comple-mentary and overlapping strengths in the sector, could produce sufficient volume and rationalisation to justify investment in large scale plant and this could offset the advantages of the big European Importers.

Balfour's directors bave yet to reply, beyond warning sharebolders to take no ection while they consider their position hut yesterday the shares moved up 5p to 68p.

Details, Page 22

Aurora bids Banks reluctant to aid Egypt

banks appear reluctant to profinance for Egypt because they fear possible retaliation by Arab oil exporting nations.

Egypt, after signing the peace treaty with Israel, has been sub-ject to an economic and political boycott by the Arah world which cut off new aid from the oil-exporters. Several Arab banks, led by the Paris-based Al-Ubaf group,

have already dropped recent plans to mount a \$250m Euro-currency market financing for the Central Bank of Egypt.

CAPITAL SPENDING by manu-facturing industry should in-crease this year in spite of a decline in the first quarter, according to the latest Depart-ment of Industry inteotions sur-vey published yesterday.

The surger finds that invest-

The survey finds that invest-

ment is likely to increase by between 2 and 5 per cent this

year, slightly less than the 4 to

8 per cent figure in the survey

released et the beginning of the

Nevertheless, after leasing is

taken into account, the predicted out-turn for 1979 is still nearly 5 per cent above the outcome in

1970 — which was the peak year

for capital spending attributed to manufacturing industry. However, this feirly huoyant

outlook may have to he modified

in the light of the recent round

The survey was released at

the end of Merch and most of

the returns were made in April,

before the letest oil price rises

emerged. These are likely to

heve e depressing effect on capital spending plans.

necessary repid catch-up after the first-quarter drop of 4 per

This could mean that the

of oil price rises.

MANY WESTERN commercial Air, the State airline. But the concern of Western vide alternative sources of hankers has been intensified by the recent surge in oil prices, which promises to increase substantially the disposable surplus revenues of the OPEC countries and thus the funds they can inject into the Western banking system.

The Cairo Government, since it was cut off from Arab sources of aid, bas clearly become much more dependent on Western financial help, both from Govcommercial ernments and

Nevertheless, banks also bave Egypt now wants to revive doubts about Egypt's basic guaranteed by the Gulf Organi-the transaction on the basis of creditworthiness, and recall sation for the Development of e smaller \$100m loan for Egypt- that the country has in the past Egypt, the institution formed

Capital spending rise forecast

INDUSTRY'S CAPITAL

Manufacturing

4,196 3,923

3,398 3,504 3,822 3,522 3,345 3,573

Estimates Department of Industry

cent below the investment level

of the previous three months

may not emerge with such

force.
The Department of Industry in

April-Inne would have to total

£1bn in 1975 prices—5.5 per cent ebove the first-quarter level

-for the intentions survey to

be borne out, followed by rises

of 2 per cent in each of the

subsequent quarters.
This would bring invest-

ment up to about £4bn for the

Distribution

shipping)

mercial sources of finance. to he available for raising \$100m credit, including e bigger role by the U.S. Export-Import Bank, which would reduce the amount of commercial banking financing necessary. The funds will be used to buy U.S. civil

found it difficult to obtain com-

Some banks are also reluctant to go ahead with this loan while the status of an outstanding \$250m credit for Egypt raised in 1977 is in doubt.

year, plus another £400m-£450m on leased Items which are classified to the service sector on the basis of the ownership

In current prices the 1979

investment would total about

£6.75bn, or roughly £7.4bn

when leasing is taken into

achieved, the Department fore-

casts that the outlook for 1980

is for a slight fall in line with

previous experience which has

never seen an investment rise

for more than three consecutive

for distributive and service industries, which are forecast

to see investment growth of between 5 and 7 per cent in

the current year—above the earlier survey prediction of 3

This would bring investment

in this sector up to the all-time high of £4.96bn in 1975 prices.

or about £7.75bn in current

increase in this sector next year, possibly also in the 5 to 7 per cent range.

Asian dollar

market tops

\$30bn level

reports from Singapore.

to \$29.86bn in March.

bulletin.

TOTAL ASSETS of the Asian dollar market exceeded \$30bn

for the first time in April, rising by \$217.1m to \$30.07bn, Reuter

This followed a \$2,04bn rise

The slower growth last month reflected the winding-down of window-dressing positions of the previous month, the Monetary

Authority of Singapore (MAS) sald in its latest monthly

Total assets at the end of

Lending to non-bank cus-

April, 1978, amounted \$21.82hn, MAS said.

The survey forecasts a further

The picture Is more buoyant

of the assets.

to 7 per cent.

account

loan was guaranteed by the Guli Organiby Saudi Arabia, Kuwait, and UAE and Qatar to support the

In the wake of the boycott, the organisation froze its financial support for projects in Egypt. According to Arab Press reports, it stated that it was under no obligation make any payments related to the projects.

Arab states are pressing ahead with plans to disband the Arab Organisation for Industrialisation, the Egyption armaments manufacturing concern. bankers feer the Gulf Organisation may similarly fall victim, if Arab-Egyptian relations continue to deteriorate.

Late drive to boost Labour poll

turnout By Richard Evans, Lobby Editor

AN ELEVENTH hour ettempt is being launched by Mr. James Callaghan today to attract a reasonable Labour turnont in Thursday's direct elections to the European Parliament and to stave off what could be a humiliating defeat at the bands of the Conservatives.

In a message to all Labour candidates, the former Prime Minister argues that a Tory Government at Westminster mekes it all the more importent for Labour to be well repre-sented in the European Parlie-ment: only Labour members in the new assembly would faithfully represent the views of the

British people.
In spite of the plea, echoed in Labour Party television broadcast last night, party managers remain apprehensive that Labour could win fewer than 20 of the 78 English, Scottish and Welsh seats when the votes are counted on Sunday night The Conservatives are expected

to win all the rest. Mr. Callaghan argues that unlike the Tories, a Labour dele-gation at Strasbourg would not he isoleted but would join the Socialist Group—likely to he the largest—and would thus be able to rally support for key reforms throughout the Com-

munity. In the party's broadcast Mr. Callaghan said it was important hoth for Britain and for Europe that there should be strong Labour representation. The powers of the new Assembly would be very limited but members would have great influence in the next few years

in shaping public opinion.

Mr. Anthony Wedgwood Benn,
one of Labour's most vocal antiMarketeers, said in a BBC Radio phone in programme yesterdey that the election of Labour candidates would provide the blg-gest possible warning to the didates would provide the big-gest possible warning to the Community and to those who were trying to establish it as a federation: that the British people wanted a different sort of Europe. In his view, this was what the election was all about. It was the first election in his-ters demanded by the people in tory demanded by the people in power and not by the electors. This was because the European Commission "wanted a sort of fan club to support their own demands for greater federal control."

was to vote either for progress towards a federal Europe with Britain as an offshore province, or for a wider, looser Europe of self-governing states, which the Labour Party favoured. Mr. Benn denied more than once that ba or the Labour Party was advocating with-European Election News Page 2

Weather UK TODAY THUNDERY RAIN. Some sun-London, S.E., Cent. S., E.

England Cloudy. Thundery showers. Widlands, N.W., N.E. England. Cloudy. Thundery rain. Max. Channel Isles, S.W. England,

Wales
Sunny Scattered showers.
Max 19C (66F).
Isle of Man. S.W., N.W.
Scotland, N. Ireland
Rain. Drier later. Max. 17C Shetland
Dry. Rain later. Max 16C
Rest of Scotland
Clondy. Rain. Max. 17C Outlook Thundery

WORLDWIDE

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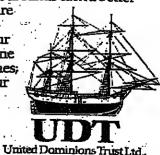
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The Financial Times Ltd., 1979.

Coffee. prices up

BY RICHARD MOONEY

COFFEE PRICES climbed to their highest levels for a year on the London market yesterday in the face of gloomy Brazilian crop reports after last week's

The September delivery quotation rose £109.5 to £1,858 e tonne taking the rise in the past week

Brazilian estimates put the frost damege at 8.5m bags of 60 kilos each but in London traders doubted that the damage exceeded 6m bags.

The worst losses are in the state of Minas Gerals Commodities, Page 31

Continued from Page 1

British Rail cuts

poration to raise their prices. a barrel.

caused by the sberp rise in prices cherges by the African members of the Organisation of Petroleum Exporting Countries to which North Sea prices are unofficially linked.

a barrel, e rise of 48 per cent since the end of last year.

the British National Oil Cor- fields Is priced at about \$20.50

The Flotta blend produced from the Piper and Claymore fields has risen by \$2.45 to \$20.00-\$20.10 a harrel. BP'a Forties crude has risen to \$20.75

Continued from Page 1

Reserves lished on Friday, it was

announced yesterday.
The Department of Trade publishes the current account figures for February, March and April, while Central Statistical Office figures on the first-quarter halance of payments, covering the capital account, are released at the same time.

The Brent system blend of Trade figures for May, due Thistle and Dunlin Field crudes out on June 14, will be released has risen to \$20.70-\$20.75 e on June 19, while the survey

tomers picked up despite the firmer U.S. dollar, rising to harrel, while the Ninian blend of export prospects comes out firmer U.S. doll from the Ninian and Heather seven days late, on June 14.

> efforts to correct what had become an excessive decline in the dollar." In the period under review, the dellar advanced 1 per cent against the mark and Swiss franc, and 10 per cent against

record \$38bn, the Fed calculated, compared with a previous record of \$331bn in the last quarter of 1978.

Strong dollar allows U.S. to repay debt

BY DAVID LASCELLES IN NEW YORK

THE U.S. dollar's new-found strength enabled the U.S. to cut its market intervention dramatically and repay all its swap debt in the February-

Treasury between them repaid \$6.13bn in foreign eurrencies during the period, \$4.97bn of it to West Germany and \$1.16bn to Switzerland. Part of the navement to

land. Part of the payment to

April quarter, the Federal Reserve Bank of New York reported last night.

According to its latest quar-

Switzerland eliminated debts incurred before 1971, and means that the U.S. is free time since mid-1969, the New

These repayments were financed through purchases from the market and other banks as the dollar strengthened against other currencies.

The quarterly report also shows a sharp reduction in the

need to prop np the dollar.

Swiss francs and yen totalled only \$656m compared to \$2.5bn in the Angust-October sales in the Angust-October quarter of 1978, and a record \$6.7bn in the quarter after that when the dollar crisis was at its beight. These sales had been made

early in the quarter, the report said. "During the quarter the dollar came into increasingly beavy demand, reflecting beavy demand, reflecting growing confidence in the U.S.

and foreign government's

Overall, gross market inter-vention in the quarter by major central banks totalied a

هكذامن الأمل

The choice facing the country